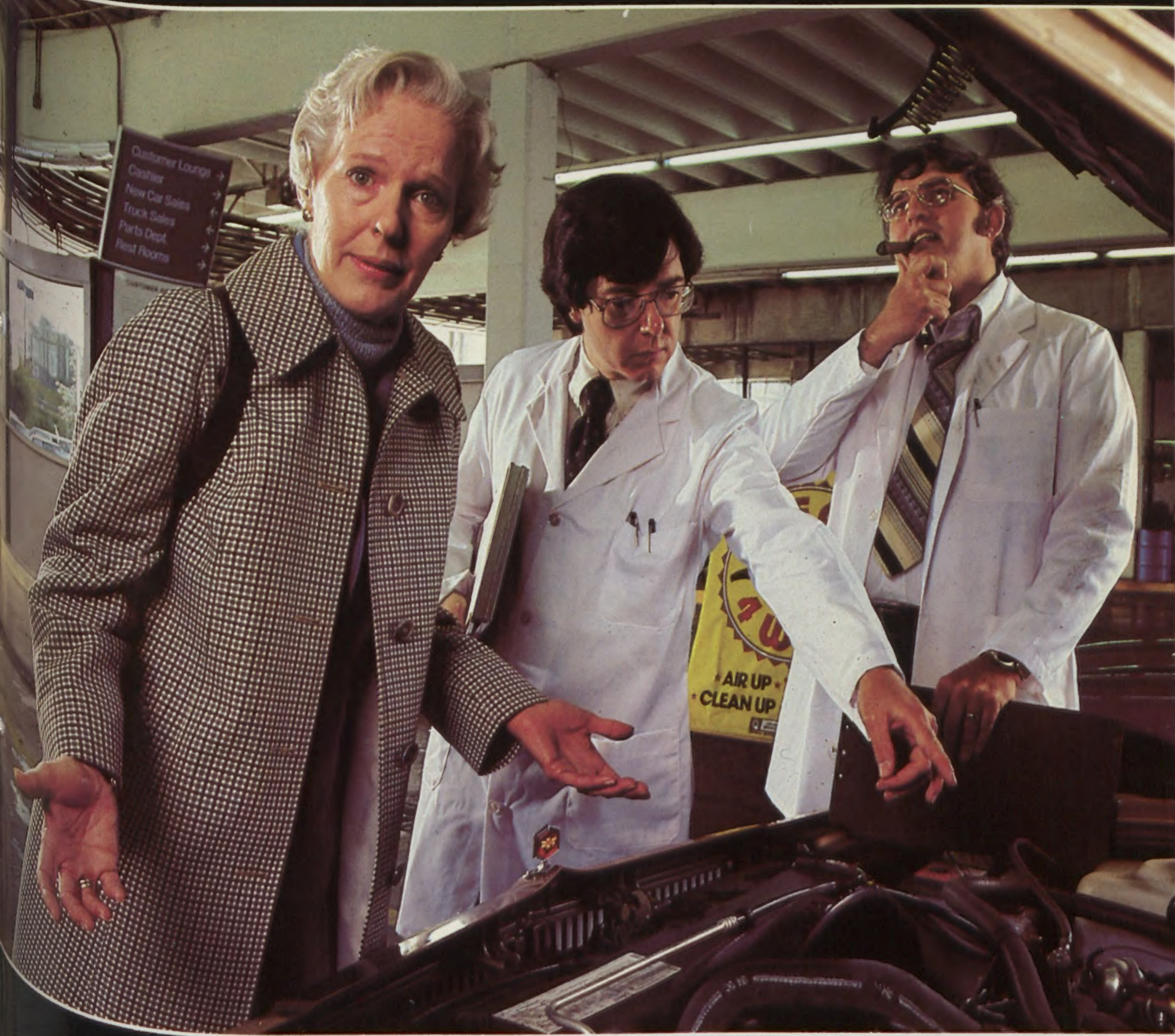


# AE

## automotive executive

June  
1980

Published for America's automobile and truck dealers



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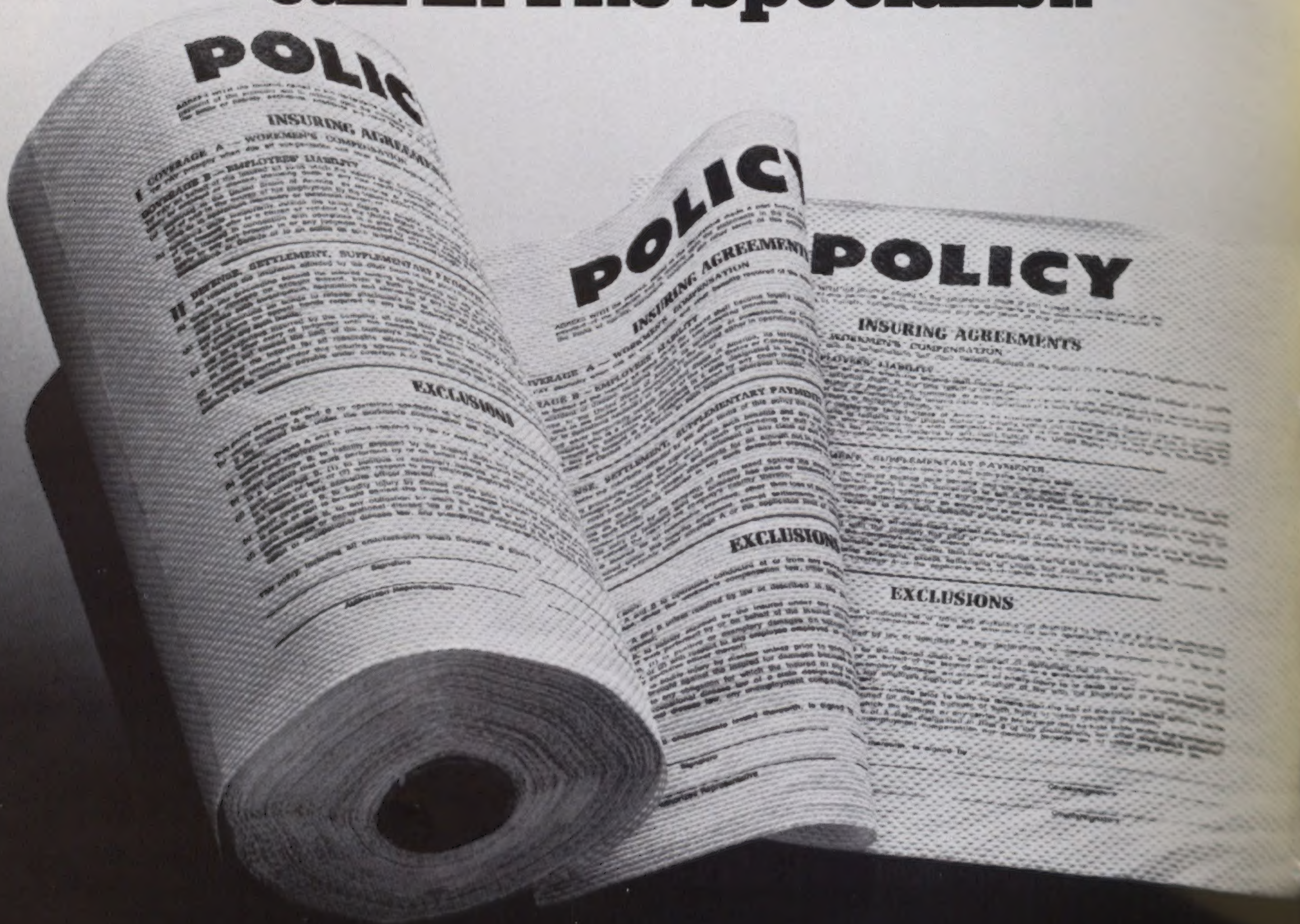
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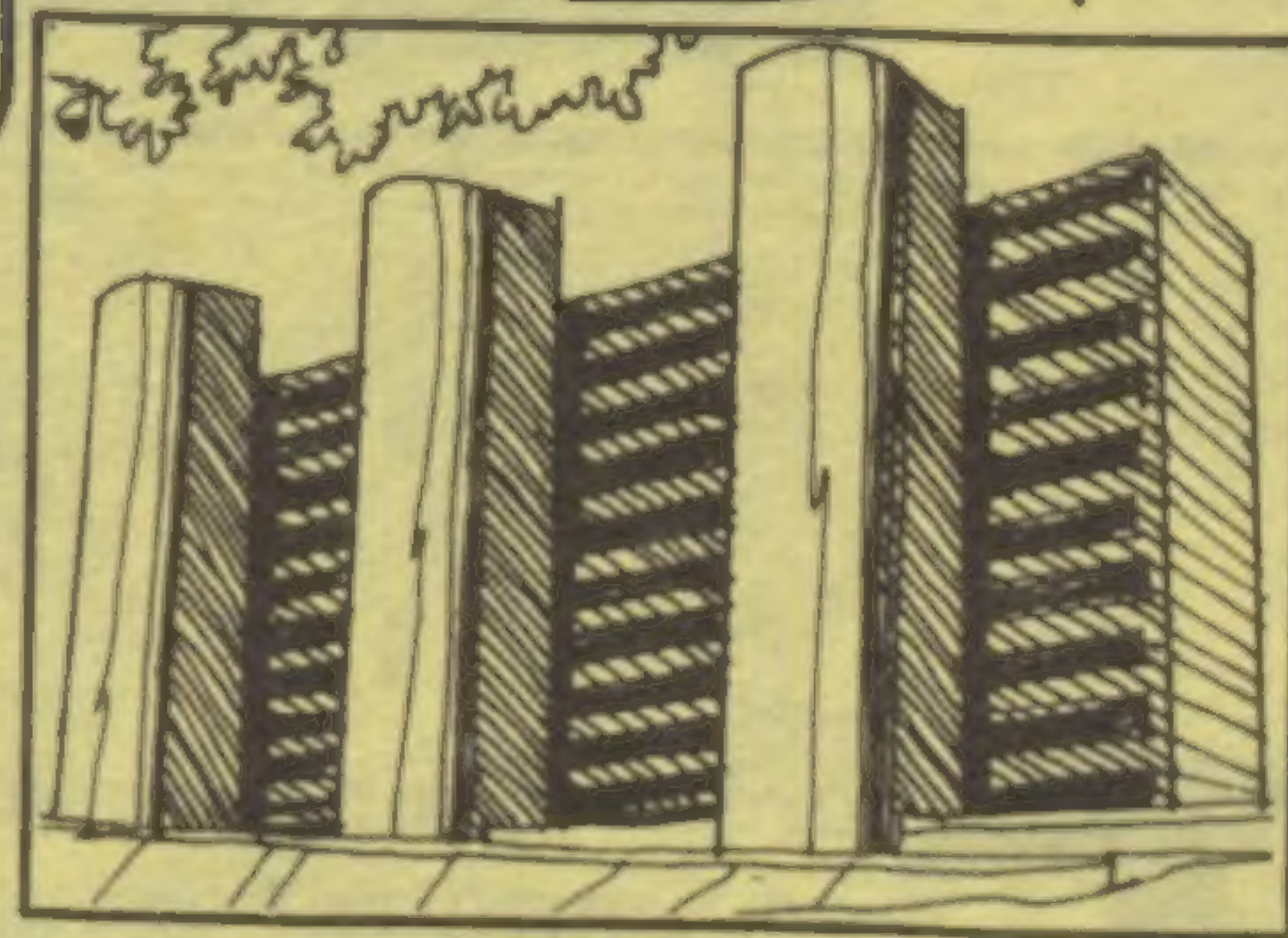
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# COMMENTARY



High on the western slopes of the Rocky Mountains, along the borders of Colorado, Wyoming and Utah, lies an answer to America's energy independence: oil shale.

More than 600 billion barrels of oil are trapped in the oil shale within our nation. The richest deposits are in the Rockies, but shale oil also is available in Kentucky, Alaska, and other states.

More than 21 major oil companies, with combined profits of more than \$22 billion last year, have interest in extracting shale oil. Yet, only token amounts have been produced.

Why? Why isn't the country on a crash program to produce oil from shale? One of the most promising, profitable, and abundant energy resources that the United States has is oil shale.

Bill Hancock, former NADA president and a major proponent of oil shale production, says "with \$1 billion every 4½ days going out of this country for oil purchases—we need to move ahead with oil shale."

Certainly, America's energy lifeline is tied to a vulnerable row of tankers stretching from the Middle East to our shores. Billions of dollars flow back to the Middle East—devastating our balance of payments. But, more devastating is the specter of international events disrupting that lifeline of energy. Transport would stop, industry would stop—and our nation would plummet into economic depression.

Therefore, we need to develop alternatives. We need to harness every domestic energy resource. It's time we did something about those 600 billion barrels of oil shale.

Why isn't oil shale on line? Why isn't it at maximum production? If we pull out all the stops, what level of production can we expect?

In answering these questions, we start with the last. If we removed all obstacles and plunged ahead, the government estimates we could achieve a million barrels of shale oil a day by 1990—about 7 percent of our national oil needs.

Why are we not at maximum production? That answer is linked to past policy, somewhat, but more to the fact that international oil was so cheap until 1974 that oil shale production wasn't economically feasible. Oil price and supply changed with the embargo and became critical with the Iranian revolution. Now, we have problems.

In this near-crisis, we could turn to oil shale. But a number of things seem to hamper the progress toward a desirable production level. To list a few:

- *Tax policy.* The 1980 windfall profit tax allows some incentives for oil shale development, but apparently not enough to lure massive and immediate investments by energy companies. The Capital Cost Recovery Act, now pending in Congress, would help a great deal.

- *Bureaucratic problems.* The slow process of getting permits, leases and government approvals are a pitfall for all progress, including oil shale development.

- *Bad laws.* Certain land laws prohibiting "dumping of waste materials" on certain lands are unenlightened and actually prohibit measures that would increase the land's future potential.

- *Community services.* In remote regions, new utilities, schools, homes, hospitals and other public facilities will be needed to accommodate the new mining communities.

- *Water.* Water is needed in the refining process, and it is a scarce commodity in many of the mining areas.

However, there are very real prospects for reducing the amount of water needed, and, it is a fact that the production of shale oil can bring with it several other products that in effect will lower the net cost of the effort.

The *chief* problem for oil shale is probably that it has no lobby like "farmers for alcohol" or "mining states for coal" or "Texans for oil and gas." Oil shale urgently needs a constituency of support.

The 28,000 automobile dealers of America must recognize oil shale as a major answer to a dependable supply of fuel. When the U.S. fully opens the oil shale spigot, the United States once again will become a force in the world energy market and OPEC will have something to think about.

We feel strongly that the prospects far outweigh the problems. Our nation, through sound public policy and elimination of unnecessary restraints, should be fully behind the energy companies. We must demand immediate action to get oil shale on the line as soon as possible.

The need is great. The answer is apparent. Action is needed now.



# Executive Notes

## Industry news for the automotive executive

**F**ord announces a new product and a new commitment overseas. Ford Motor Co. says it will introduce a new car in 35 Pacific and Asian markets within a year, and it is about ready to assemble trucks in India for the first time since 1954.

The new car, the Laser, will be a C-Series car, the same size as the Lynx and Escort cars due soon in the U.S., and the cars will have many common components. But, the company insists the overseas car will be "different," without explaining what form those differences specifically will take.

It will be assembled in Australia, New Zealand, Taiwan, the Philippines, Malaysia, Indonesia and Thailand and will require, with other future Ford products, a \$500 million Ford investment in the company's Asia-Pacific region between now and 1984. Ford's total overseas spending commitment for retooling and new car plans during the period is \$8 billion.

Assembly of Ford D-Series heavy trucks is scheduled to begin soon in a new plant in Madras, India, and a total of 3,000 of the 12-tons will be built during the year under a \$25-million order from Simpson and Co., Ltd.

Says Ford's John McDougall, the executive vice president for international automotive operations, "The new assembly operation marks the first step toward contemplated annual production under license of 12,000 trucks with 100 percent Indian local content."

\*\*\*

**Effort to cut Congressional Committee staffs gaining ground?** According to Congressman James Collins (R-Texas), the fight to cut congressional committee staffs is gathering support.

In the House, there are two categories of committee staffs, investigative and statutory, and Collins says the growth of the former is the root of a very bad problem.

In 1968, House investigative staff numbered 328, but in 1979, they numbered 1,221, a 270 percent increase. Collins thinks more staffers create more legislation, and he thinks recently more of his colleagues have begun to see what's happening.

"America," he says, "has more government than we need, more regulations than we can carry and more taxes than the people can afford to pay. Government deficit spending is the main cause of our 18 percent inflation, and spending legislation begins in the congressional committees."

Collins has introduced legislation—H.R. 57—that

would cut committee staffing and funding. Some Congressmen say the House and Senate are finding it increasingly difficult to cope with their workloads, but the Texas representative says some staffs can only hope to justify their jobs by looking for new ways to spend the American tax dollar.

"We have allowed congressional committee and subcommittee staffs," he says, "to grow to such proportions that they now determine legislative priorities and policies (in place of) the elected representatives of the people. Congress must cut back on the committees in order to put an end to the growth of the laws and regulations that are spewing forth from Washington every day."

\*\*\*

**This is not about automobiles, but about America.** It is our usual practice to write only about those things that might interest our readers in their posture as businessmen and women, but we are all, after all, more than just business people and our concerns go far beyond that.

We recently came upon a letter to the editor written in the *Washington Post*, written by a Canadian on the subject of the Iranian crisis, and we thought you might like to have an initial or a second chance to read it.

*The recent outpourings of affection in the form of "Thank you, Canada" signs have been proudly received by many Canadians, myself included. I found it a bit surprising, however, that such gratitude would come so freely from Americans. Surprising and a bit sad when one considers that similar acts of heroism and unselfishness are performed continually by the United States without a whisper of gratitude.*

*I don't recall seeing "Thank you, U.S.A." signs anywhere after Americans bore the brunt of the Korean War, nor when they negotiated the first real peace treaty ever in the Middle East. To my knowledge, no American citizen has ever been offered a drink anywhere for keeping Western Europe part of the free world. Foreign-aid shipments the size of which civilization has never seen are snatched by Third World countries indignantly denouncing the United States for not sending more.*

*I guess being the only democratic superpower has its drawbacks; and then again, no one said it was going to be easy. But then again, from one Canadian to a lot of frustrated Americans. "Thank you, U.S.A."*

J. ALLEN GERMAIN

Hamilton, Ontario





Pictured left to right: Bill Hosford; J.T. Rosser, 'TekTor Sales Representative, J & M Distributors-S.C. Brookline Lane; Billy Atkinson, Vice President

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April 4, 1980

J. T. Rosser  
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Tektor  
P.O. Box  
Wingat

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J. T. Rosser  
Wingat

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As a new dealership, our search for a total protection system has ceased. Tektor System has filled the bill.

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Customer satisfaction is high as they consider it a major investment on their new car purchase.

Sincerely,

Our Thanks to Cale Yarborough Honda-Mazda,  
Billy Atkinson, Their Employees and Customers.

From the 'TekTor People



## **AE** automotive executive

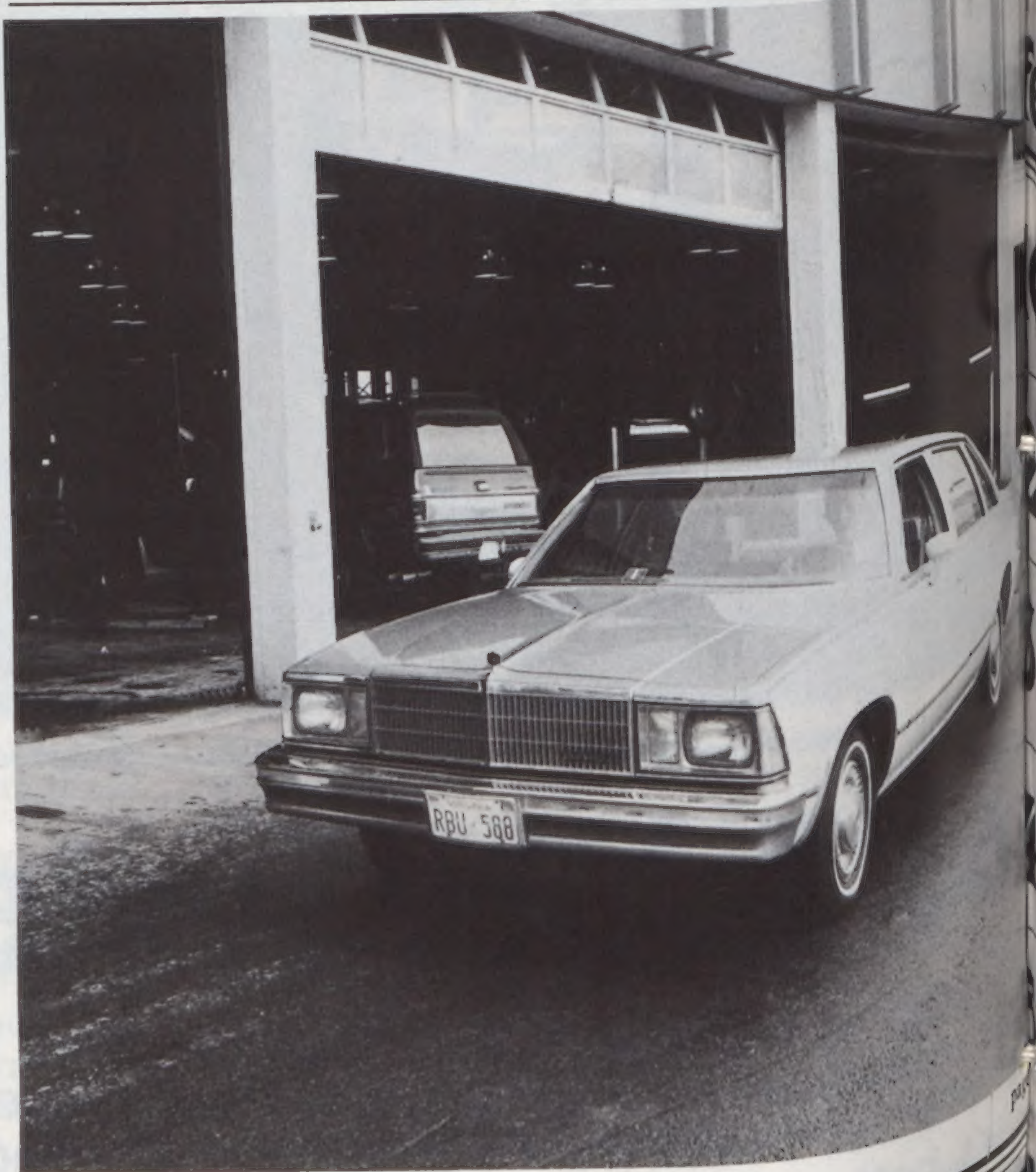
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page 22



## Features

### Tourist Service Business: A Pain In The Back End?

Some new car retailers just wish it would go away, but others are finding that this kind of mobile business can really up the shop's profits.

### Rustproofing And Paint Sealants—Into The Big Time.

Dealers are making big profits from this up-and-coming business, but they shouldn't dive in without considering several points.

### Women And The Service Department: Are You Putting These Customers Off?

Women customers make up a large part of today's service business. How they're treated could mean the difference between a dealer's profit and loss.

### NADA Service Systems—Organization And Time Control Mean Profit.

This program has proven there are ways to make—and lose—money in the service department that you didn't think possible.

### The Message At TRX-80: We Have A Lot Of Work To Do!

Speaker after speaker repeated the theme: we have to mobilize our resources before it's too late.

## Departments

DA Commentary .....	1	The Service Department .....	33
utive Notes .....	2	Auction Block .....	38
al Briefs .....	6	On The Hill .....	45
Brakes .....	8	Advertisers Index .....	55
ng Yourself .....	13	Used Cars .....	56
.....	21	Showcase .....	59

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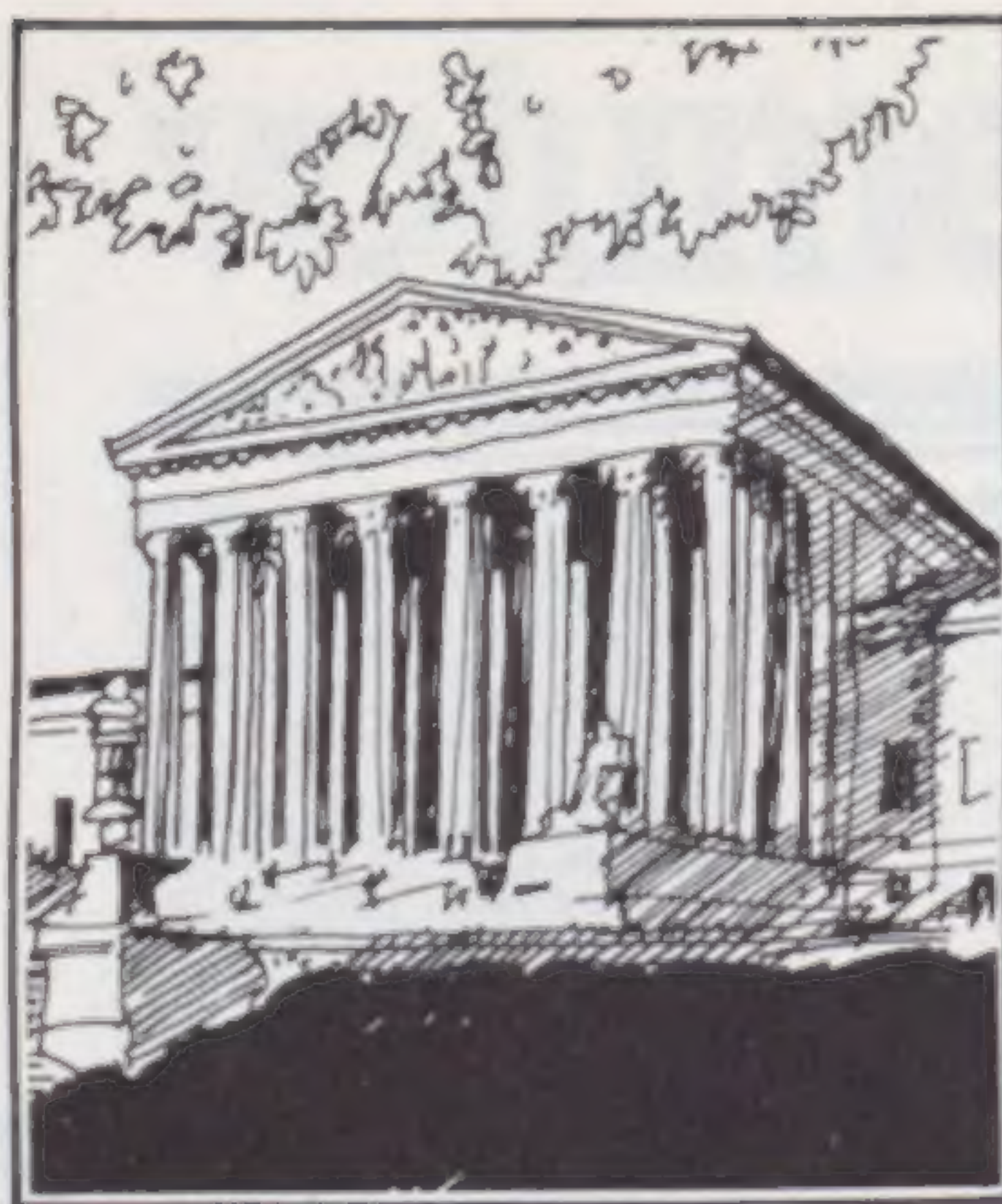
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## The Auto Industry And The Law

### **Japanese being pressured to lower import barriers to auto trade**

Deputy U.S. trade representative Robert Hormats stated on April 21, 1980, that the Japanese must open their market to U.S. exports of automobiles and components in order to resolve the current trade conflicts between the two countries. During a hearing before the Senate Select Committee on Small Business, Hormats stated: "My firm hope is that the U.S. and Japan can negotiate a successful solution to the current imbalance of auto trade without resorting to retaliatory measures."

Apparently, discussions on the issue between the United States and Japan have been progressing at a disappointing pace, according to Hormats. If Japan will lower its many non-tariff barriers to U.S. auto and parts exports, the United States stands a chance within two to three years of increasing exports, particularly as U.S. manufacturers begin to build new lines of cars competitive with the Japanese automobiles.

### **Simplification of installment sales**

Proposed H.R. 6883 would eliminate the requirements that no more than 30 percent of the selling price be received in the year of sale to qualify for installment reporting; that a deferred payment sale be for two or more payments; that the selling price for casual sales of personal property need exceed \$1,000 to qualify for installment sales reporting; and that the installment method must be elected for reporting gains from sales of realty and non-dealer personal property. H.R. 6883 was introduced by Ways and Means Committee Chairman Al Ullman (D-Ore.) and Representatives Daniel Rostenkowski (D-Ill.), Barber Conable (R-N.Y.) and John Duncan (R-Tenn.). An identical bill (S. 2451) has been introduced by Finance Chairman Russell Long (D-La.) and Senator Robert Dole (R-Kans.).

### **FTC decides against prosecution of Ford for stock acquisition of the manufacturer of Mazda**

The Federal Trade Commission has rejected Staff recommendations to challenge the acquisition by Ford Motor Co. of a 25 percent share of Toyo-Kogyo, Ltd., the Japanese manufacturer of Mazda. In a letter to Ford Motor Co., the Commission announced its decision not to proceed against the purchase that became effective November 1, 1979, but to continue investigation into the matter.

The market share of Mazda in the United States is only about 1.7 percent, and Ford indicated to the Commission that its main purpose was to expand Ford export operations in the Far East. The Japanese government sent representatives to meet with Commissioners in support of the Ford position.

### **Business expansion tax credit proposed**

Congressman Andrew Maguire (D-N.J.) has proposed a nonrefundable tax credit for small business firms setting up trusts to finance capital expansion, research and additional employment. H.R. 7049 would allow small businesses a credit of 50 percent, to a maximum of \$300,000 annually, for cash funds placed in a separate trust account.

*This column is prepared by the Legal Group of the National Automobile Dealers Association. For further information or questions concerning the items appearing in this column, write: Legal Briefs, NADA Legal Group, 8400 Westpark Dr., McLean, VA 22102.*



for purposes of acquisition, construction, reconstruction or erection of property to increase business activity; research or experimentation; or qualified wage increases for employees.

### **Ford transmission recall urged by Nader**

In a recent Washington, D.C. press conference, Ralph Nader asserted that millions of Ford cars and trucks should be recalled because they have automatic transmissions which slip without warning from park into reverse gear. The potential recall could involve 20 to 25 million vehicles. Nader estimated the cost of repair at about \$10 per vehicle, which would cost Ford about \$80 million after taxes. Nader also accused the National Highway Traffic Safety Administration of stalling a recall for political reasons. The head of the Center for Auto Safety, a consumer group, said the group would file suit unless the agency ordered a recall.

### **FTC consent agreement with Chrysler requires repairs of rusting fenders**

The FTC has announced a consent agreement with Chrysler Corp. Chrysler has agreed to replace rusting front fenders on about 200,000 cars in a settlement worth an estimated \$45 million to consumers. Under the terms of the proposed settlement, Chrysler will notify some 650,000 purchasers of 1976 and 1977 Dodge Aspens and Plymouth Volares that they are entitled to have their front fenders replaced free. The average cost of repairs would have been \$225 per vehicle. Virtually all affected consumers live in the nineteen-state "Salt Belt" which extends from Minnesota to New England.

To be eligible for the free fender repairs, Aspen or Volare owners may be asked to sign an affidavit acknowledging that the rust appeared no more than three years after buying the car. In addition, the owners also must take advantage of the offer by November 1, 1980, or before the car is three and one-half years old, whichever is later. Only rust on the top of the front fenders within two feet of the windshield is affected, under the subject Consent Order. According to FTC officials, the rust occurred in that area due to the design of the cars which left a small gap between the upper part of the fender and the car body. Water and salt became trapped in this area. In addition, the primer used on the cars inadequately covered the inside of the fender, as did later coats of paint. Further, according to the terms of settlement, Chrysler will be required to make the replacements within 120 days of being contacted by a consumer.

### **Western Europe to become net importer of cars by 1983**

According to the latest European car industry review published by the Paris-based Euro-Finance Organization, Western Europe will become a net importer of automobiles by 1983. The report predicts European automobile production will rise between now and 1985 from 10.75 million to 12.45 million; however, during the same period, exports as a percentage of production are projected to fall from 14.4 percent to 8.3 percent. Net exports are projected to drop from 700,000 this year to minus 134,000 by 1983 and to minus 365,000 by 1985.

### **A reader asks:**

A Reader from Texas asks—

I took a passenger car in trade and, although it looked fine, I found out later that the customer had used regular gas instead of unleaded in the tank. The catalytic converter is ruined. Do I have to repair it? *It is advisable for you to repair the catalytic converter, but it is not required by federal law. No federal law requires that you repair the emission control elements of a vehicle unless you, the dealer, have tampered with the system.*

*The Clean Air Act is violated when a dealer tampers with or alters the emission system and you could be subject to a \$10,000 fine unless you could prove it was the customer and not you who used the regular gas in this case. Individual vehicle owners who alter the emission systems are not subject to penalties under present federal law.*

*If you do not repair the catalytic converter before resale, you should obtain a signed statement from the trade-in customer that he used regular gas instead of unleaded. Then, you must disclose the condition of the emission system to any subsequent purchaser. Æ*



# TAX BRAKES



Irving Blackman

**I**s it possible for the IRS to wind up with almost all (or even more) of the proceeds from \$1 million in life insurance? It sounds impossible, but with enough bad (or just plain lack of) tax planning, it can really happen. Here's the story:

A successful businessman from Minnesota (let's call him Joe) asked my office to consult with him on a number of tax problems. He proudly explained how his business and family were both protected by \$1 million in life insurance coverage. Joe owns 100 percent of the stock of RICH, Inc. As a matter of routine, I examined the estate plan documents . . . In a word—disaster. That \$1 million was set up to be taxed twice: first in the estate to the tune of about \$250,000 (double that number if Joe's wife goes to heaven first); and now a little matter of about \$600,000 in income tax when RICH, Inc. (the beneficiary of the policy) must buy two-thirds of Joe's stock for the \$1,000,000 (so it is written in Joe's will), forcing an unintended dividend.

You must admit, the plan is "neat" if there were no such thing as taxes. It would take pages to explain all the tax blunders in the above plan. Fortunately, Joe ain't dead yet. In a nut shell, this is how we will change Joe's plan: (1) Transfer the policy from RICH, Inc. to Joe (tax-free); (2) Transfer the policy from Joe to an irrevocable life insurance trust (this will avoid estate tax—when Joe dies.

The same trick will be repeated—no estate tax—when Joe's wife dies); (3) The \$1 million in the trust can be loaned to Joe's executor (if needed) to pay estate tax and, of course, is available immediately to protect Joe's family.

Badly conceived estate plans (like the above) or no estate plan (most common) is the mortal enemy of the closely held business. So often when the founder dies, so does the business—it must be sold to pay taxes. Can this be avoided? You bet. The answer lies in planning, Planning, PLANNING!

★ ★ ★

**Reader's questions.** Each of the following three questions have been asked by readers in one form or another, several times in the past year.

**Q:** Will the capital gains tax be eliminated?

**A:** I think not. Congress took a giant step in the right direction when it passed "The Revenue Act of 1978." The top capital gains tax rate is now 28%. Just like the supporters of this change claimed, the reduced rate increased the overall tax collected by the IRS. Yes, it would make economic sense to eliminate the capital gains tax. But, politically, it is a NO-NO.

**Q:** Is it a mistake to have the real estate used by the business owned by the corporation? When is it not a mistake?

**A:** If I ever wrote a bible on Federal taxes, the first commandment

would be, "Thou shalt never put real estate into a corporation. Why? Well, if the real estate is losing money, the loss usually will save more tax dollars on your personal return than the corporate return. A profit means two taxes—first to the corporation and second to you when the corporation distributes all or a portion of the balance to you. And the problems are compounded when the decision-maker/stockholder dies. Only in very rare circumstances can you come out ahead when real estate (improved or unimproved) is owned by your corporation.

**Q:** Estate planning often addresses itself to people contemplating retirement. I am young (readers usually define "young" as under 35) and plan on working 'till I am 70; I need all the cash I can lay my hands on to build my business. What is the best way to protect my family and really keep the business growing?

**A:** Divide! Divide! Divide! Use every tax bracket you can "lay your hands on"—your children, your grandchildren or any family member in a low tax bracket. Use family partnerships and subchapter S corporations to spread income, while you control the decisions. Corporations, multiple corporations and trusts are tools you can use effectively to divide the family income.

Subsequent articles will discuss these friendly tax tools. You will learn how, when and the best way to use each of them.

These columns are prepared by Blackman, Kallick & Co., certified public accountants, under the watchful eye of Irving Blackman. Blackman, also an attorney and author of *Winning The Tax Game*, consults with businessmen around the country on the subject of taxes and profitability. Questions concerning these columns should be addressed to Blackman, Kallick & Co., 180 N. LaSalle St., Chicago, IL 60601.



# Plain talk to GM dealers.

**You can sell your own or any other service plan, but GM has one that was meant to give you peace of mind.**

*Continuous  
Protection  
Plan*



**The GM Continuous Protection Plan may be the best service plan you can offer.**

As a business man, you accept certain liabilities and risks. Why, especially today, should you take on any additional, unnecessary contingent liabilities? When you sell the GM Continuous Protection Plan you can have peace of mind knowing that your customers have an agreement directly with GM. General Motors will pay for parts at list, and labor at your retail hourly rate, on customer claims for the duration of the Plan. We pay you directly, promptly and with no red tape. With the GM Continuous Protection Plan you have peace of mind knowing that future repair claim costs will be covered. You can relax. Coverage is clear. GM resolves any disputes about coverage with the customer. You repair. We pay. And with the GM Plan, your income for the work you perform is real income. Because GM pays the claim, your actual income can't be eroded by the effects of inflation on parts and labor costs.

**You can offer your customers more satisfaction with comprehensive coverage.**

The GM Continuous Protection Plan covers 78 components of 9 major assemblies, including seals and gaskets. We don't think any other plan's coverage even comes close. The potential for maximum customer satisfaction during the new

vehicle limited warranty and after is there — peace of mind for your customer and you.

**You get excellent profit potential by selling the GM Continuous Protection Plan.**

It's your choice. You might find another service plan will pay you more up front in the sale. But with the GM Plan's comprehensive coverage, value and satisfaction to your customer, the GM Continuous Protection Plan offers the potential for more real income in rental, parts and service sales for the duration of the agreement. So ask yourself, which plan is worth more? To your customer? To your own peace of mind? We think you'll agree we have the right combination.

**Our advertising will encourage your customers to look for the GM Mark of Excellence — for an agreement with General Motors — the genuine article.**

We will be telling your customers point by point why we think the GM Continuous Protection Plan is superior to any other plan available. Your customers will be reading about the GM Plan as the service plan that gives them a direct agreement with GM. They'll be asking for the plan with the GM Mark of Excellence on it. So get on the Mark. Go with the GM Continuous Protection Plan.



**In plain talk, you shouldn't settle for less.**



# Tourist Service Business:

Many new car retailers wish transient service customers would just go away. But other dealers are pushing hard for such business and upping shop profits by doing it.

**A** lot of analysts are telling us there won't be as much traffic on the highways this year as there was in the past. This is particularly true, they say, where long-distance motoring is concerned.

The reason? Why, the fuel squeeze, naturally.

The price of gasoline and diesel fuel, point out these professional prognosticators, has simply made cross-country highway travel too expensive except when the trips are absolutely necessary. Then, too, say the predictors, some would-be highway voyagers are afraid they may get caught away from home in the middle of another shortage at the pumps.

The American Automobile Association refuses to enter into crystal-ball gazing of this type because, as an AAA spokesperson puts it, "There are just too many variables." Triple-A does admit, however, the demand for its "Trip-Tik" service (specially prepared strip maps to guide members on long-distance motoring trips) was down some 18 percent in the first quarter of 1980.

"That would indicate to us," says the AAA representative, "that there are either more people staying home now or else they are taking shorter trips that don't require our maps."

For some new car dealers, predictions and reports of decreasing vacation traffic come as good news. These are dealers who re-





# A Pain in the Back End?

gard touring motorists and the inevitable percentage of away-from-home breakdowns associated with them as a royal pain in the service department. They view emergency service to transient drivers with almost as much annoyance as does the fellow on the shoulder of the road with his hood up.

Travelers with a broken-down car, some dealers tend to feel, invariably want priority handling, are uncommonly apprehensive about being ripped off by a strange service department and, more often than not, are already "mad as hell" before they ever reach the dealership.

"They expect you to bend over backwards for them," says one East Coast dealer who prefers not to be identified. "They want you to put them in ahead of your regular customers and then cut corners on the charges. And all this for a guy who will probably never be back again and sure won't ever buy a car from you!"

For dealers with a similar outlook, it's easy to see why they would welcome a decrease in the number of vacationers on the highway.

Many other dealership people, however, don't necessarily agree with either the proposition that vacationing motorists are becoming an endangered species or that they are more a nuisance than an asset. Dave Grimm, service manager at Hassett-Dearing Chevrolet in Savannah, Ga., is one of them.

"Tourist travel might be off a bit this year like they're saying," quips Grimm, "but if you get up on 95 and check the license plates, you'll think the whole state of New York is moving to Florida . . . and Michigan isn't far behind."

Grimm is referring to Interstate 95, the major East Coast artery that links the Northeast with Florida's sun spots and passes just outside of Savannah.





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# Selling Yourself



Joe Girard

**H**ow excited are you about selling yourself? Putting yourself over? Getting that contract? I want success so badly you taste it? The difference between success and failure often lies on one simple factor. Enthusiasm.

My friend, Dr. Norman Vincent Peale, wrote a book some time ago called *Enthusiasm Makes the Difference*. In it, he cautions against holding back. He talks about giving your whole mind and self to whatever your goal may be. In short, throw yourself into life with enthusiasm and vigor.

I'm talking about the way the late Jack Kennedy played touch football; the way Joe Louis came out fighting; the way I put my heart and body in it whenever I lecture. In fact, Lowell Thomas once dubbed me a human whirlwind.

Enthusiasm is like a whirlwind. It is a dynamic quality. And it can be acquired. You can make yourself enthusiastic, you can build enthusiasm into your personality.

The way you do it is to see yourself as already *having* it. The same solid principle that says "Think Thin," is what every car salesman uses when he says to a prospect, and fires his imagination with, "picture yourself in the driver's seat of this baby, Mr. Jones."

If you want courage, act as if you were brave. If you want success, picture yourself as successful. And if you want to learn how to be enthusiastic, start acting enthusiastic now. Psychologists know that as you act, so you tend to become—that if you act as if you have enthusiasm, pretty soon you'll have it in abundance.

I mentioned Joe Louis. I grew up in the same neighborhood as Joe. Folks call it a ghetto now, only we didn't know it was. I watched Joe box his way up from Golden Gloves to World's Heavyweight champ. I rejoiced at his victories and knew he had earned every bit of his acclaim. Modest, unassuming, a likeable guy.

But, I also know his disappointments, his discouragements, his hurt—after all, Joe came before we realized that black is beautiful and that to become color blind is the first tentative step toward brotherhood of man.

Well, Joe, despite the ups and downs of his career, despite the shameful exploitation of a decent man, despite his right to be bitter, never let it show. Joe is one of the most enthusiastic people I know. He sure wasn't born with enthusiasm, and he didn't grow up with it. So, despite great personal setbacks, how did Joe get to be enthusiastic?

He acted that way. It's as simple as that. And the more he acted that way the more he became that way. And, all who are around Joe Louis catch the spark.

He's on fire—and he kindles it in others. That's because enthusiasm is as contagious as a head cold—only more enjoyable.

Get enthusiastic about *you*. Act that way—and you'll become that way. That's a promise! **Æ**

These columns are prepared by Joe Girard, named the world's greatest salesman 12 times by the Guinness Book of World Records, and syndicated through AP Press International. All questions and comments concerning information included in these columns should be directed to API, P.O. Box 2291, Arlington, DC 20013.



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The 32-year-old Hassett-Dearing facility is a medium-volume dealership (planning potential of about 900 new cars a year) located in Savannah's Historic Landmark District. This elegant antebellum area attracts tens of thousands of sightseers each year. They come to view the district's museums, monuments and restored waterfront area and, according to the city's Chamber of Commerce, they generated approximately \$80 million in total travel sales for the city and county last year. That was up about \$10 million over 1978.

Hassett-Dearing Chevrolet actively solicits business from these tourists and other passers-by who find they need auto service while en route to other locations.

"We have a sign out on I-95," explains Dave Grimm, "and we also advertise our location with a billboard over the bridge at the South Carolina-Georgia border."

Grimm figures the signs help draw transients who account for approximately 20 percent of his 30-bay shop's \$500,000 in annual retail service sales.

"Tourist volume will vary depending on the season," he says, "but from mid-April to the end of September there will be rows and rows of them. . . . Summer time is crazy here!"

The majority of transient service performed at Hassett-Dearing is on newer model cars—1978s and '79s—and that means a lot of warranty work, Grimm points out. Just about all this type work is emergency breakdown service.

"Every now and again we'll get a few people in who are here with an emergency problem and they'll have scheduled maintenance done at the same time we're making repairs," he says, "but very few come in just to have scheduled maintenance done. They're too busy enjoying themselves to think about anything like that."

Grimm says his department makes every attempt to give transient customers priority service so they can continue on their way as quickly as possible. Sometimes this calls for some rather unorthodox procedures.

"For instance," he recalls, "we had a guy in here last week who couldn't get the electric windows down in his Pontiac. We were jammed up, so one of my service





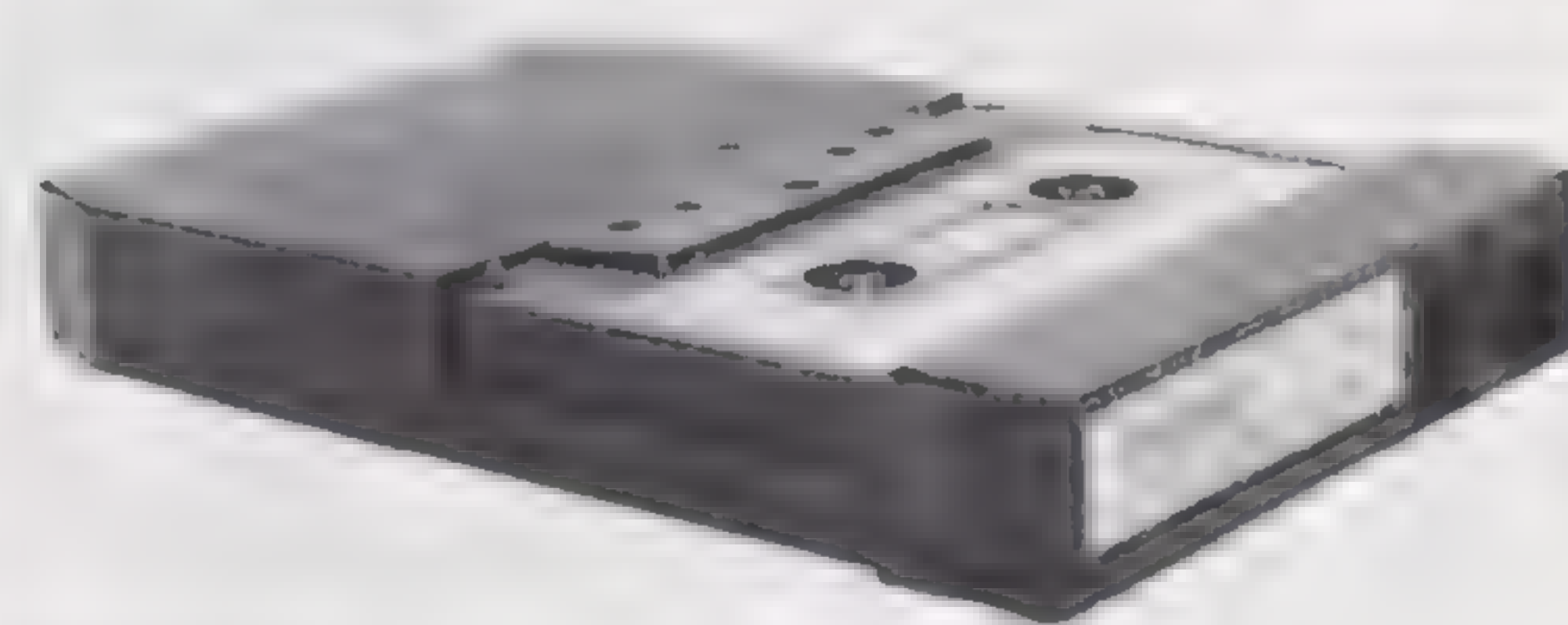
... took the door apart and  
 ... it right on the spot. And the  
 ... day, a tourist dropped off a  
 ... bird to be repaired and I  
 ... it myself while he went  
 ... to the waterfront to see the

sights."

The Hassett-Dearing service manager acknowledges that many dealerships don't like to be bothered with transients, but he says he "just can't imagine not

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servicing their cars."

"The way I look at it," Grimm says, "is that the more cars I can service, the more money we can make. . . . I don't do it because I *have* to, I do it because it's *business*!"

Another Chevrolet dealership that recognizes the business potential in transient customers is Roger Holler Chevrolet in Winter Park, Fla. One way the dealership goes after it is with a large orange, white and black billboard strategically placed just northeast of Orlando on Interstate 4. "Car Trouble?", the sign asks and then directs troubled motorists to Holler's "largest service department in town."

Is the sign effective? Dick Darlington, the dealership's general manager, thinks it is. Of the 109 cars that go through the 54-bay service department on an average day, Darlington says, a documented 23 percent of them are brought in by out-of-towners.

Because the Holler facility is off the beaten path normally taken by tourists flowing into Orlando and on to Disney World, Darlington feels the I-4 billboard has proved its worth.

"If it weren't for that sign out there," he says, "we'd probably never see a tourist."

Why does Holler Chevrolet, one of Central Florida's largest volume dealerships (planning potential of 2,210), feel it needs tourist customers? Dick Darlington's answer to that reflects a good business sense colored with a healthy amount of local pride.

"We don't consider these people as *just tourists*," he says. "We think there's a good chance anyone who comes into this area is going to be coming back someday—maybe even to live here. . . . If we treat them right, when they come back, we're going to sell them their next car, and the next one after that."

The Holler philosophy concerning service to transients is to get them back on the road in a safe vehicle as quickly as possible. The service department is able to do that, in part, by virtue of its sophisticated loading and scheduling system.

"We run a dispatch system where the dispatcher doesn't even see the shop," explains Dar-

lington. "He's selling available hours. If we have a tourist job that's on a 'must-go' basis, we have a quick service operation that can get them in and out in a hurry."

Darlington points out, however, they are careful to reserve the quick service facility for those who really need it.

"If somebody comes in here with just a little rattle or some annoyance kind of thing, we aren't going to spend a lot of time tying up our fast lane. We don't consider that kind of thing an emergency," he says. "But if they come in with a real problem . . . we're going to get them in and out of here."

Another reason the Holler service department can offer special treatment is because it actually does *specialize*.

"We have 24 service techs here," says the general manager, "and every one of them is a specialist certified by NIASE (National Institute of Automotive Service Excellence). . . . We used to have a lot more people in the shop, but we found out that by total specialization we could get a lot better work, a lot quicker work and fewer problems with comebacks, even though we might have to move the car around the shop as many as eight times. All our technicians specialize in two or three things."

Not only does Holler render full mechanical service to motoring tourists, it also can offer extensive body and paint work expeditiously.

"We're very much dedicated to body work," says Darlington. "Most dealers in this area just sell cars and don't pay too much attention to the bump shop, but we have a new eight-acre body and paint operation with 62 stalls and 54 body and paint men."

"We get plenty of body work, especially when it rains. I guess the people who come down here see all the nice sunny weather and aren't prepared to drive on our streets when they get wet. Whenever it rains, it seems we have an awful lot of tail-end collisions. . . . not total wrecks, but bad enough where something has to be done. Naturally, tourists need to get this work done and get on their way."

Another factor that allows Hol-

ler Chevrolet to be more flexible in serving out-of-towners is the company's conscientious participation in General Motors programs and the dealership's close ties with the factory.

"We're 100 percent participants with GMAC and MIC," Darlington stresses, "so, therefore, we do a lot of work to keep a car going that's covered by their mechanical breakdown insurance policies. GMAC is very good about letting us make a partial repair so a tourist can get on the road and have the job completed back in his home area."

He says Holler's rapport with GMAC and MIC is strong enough that there have been occasions when these companies have authorized the dealership to replace severely damaged cars.

"That's been a big asset to this company," Darlington says, "and it's something you don't see very often."

In addition to closely cooperating with GM's credit and insurance arm, Darlington says participation in Chevrolet programs also has cemented excellent relations with the factory. This, too, can be a big boost when it comes to servicing transients' needs.

"If we have a tourist down here whose car has a legitimate product defect problem, even though it may be out of warranty, Chevrolet will usually handle it when we ask them to," Darlington says. "That's because they know we care about service."

So service work for transients—the business so many dealers would just as soon forget—obviously enhances profits at large-volume Roger Holler Chevrolet and medium-sized Hassam Dearing. But can it do the same for a small dealership? Philip W. Lowe, dealer and general manager at Atlantic Dodge-AMC-Jeep in Augustine, Fla., has found it definitely can.

Lowe even goes a step further in soliciting jobs many dealers don't want. He specializes in servicing transient recreational vehicles—even though he doesn't sell them.

Although Atlantic is a small dealership (288 new car and truck sales last year, and 270 used, and an average of 12 customer-paid ROs daily) dealer Phil Lowe says it would be much smaller if it



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weren't for the tourist trade.

"I'd say our shop would be at least a third smaller if we didn't attract tourists," estimates Lowe. "We love 'em. . . . We estimate 50 percent of our service work—both on RVs and cars—is for transients."

In a way, you might say Lowe's dealership was *built* for the tourist, especially one with an RV.

"We built this facility in early 1975," he explains, "with the idea that to be a successful business we were going to have to do a lot of service and a lot of that was going to be *tourist* service. And it was built with the idea of servicing motor homes—the smallest door in our service department is 16 feet high and the rest are 14 feet."

Why in the world does Atlantic vigorously go after transient RV business when most dealers vigorously try to avoid it?

"We go after it for a number of reasons," answers Lowe. "The people who have motor homes know it takes money to keep them serviced and they're willing to pay for it. They have the money and they very seldom hassle you about the bill."

"Another thing, motor home owners are a good source of income for rental cars no matter if their RV is broken down or not. Once they set up in a campground and connect up with water and electricity, they usually won't want to unhook to go driving around. They'd rather rent a car. Of course, when they bring their unit in for service or repairs they almost always rent one."

Lowe credits the dealership's success in attracting RV business to the fact he let people around St. Augustine know Atlantic wanted to work on them.

"About four years ago, we printed up post cards on our little mimeograph machine and sent them to every filling station, every campground and every tourist attraction in town. That really got us going," he says.

The post cards to which he refers simply stated, *Atlantic Dodge is equipped to repair and service all types, makes & sizes of motor homes. Please refer them to us.* In addition, Lowe constantly runs RV service advertising in tourist maps distributed at campgrounds.

(Continued on page 43)



# THE BIG RIGS



Pat Close

**T**he recent ATD Convention in Houston gave me an opportunity to talk face-to-face with several truck dealers and allied representatives about the problems confronting the country and the solutions needed. Initially, before any of the speakers had a chance to speak, the mood of the dealers and the others in attendance seemed to be one of uncertainty and doubt about the future. But I was struck and inspired by the optimism that soon enveloped the entire convention audience as it heard what the speakers had to say.

The message was similar from each major convention speaker. It couldn't have been planned better. We heard about a need for action, the potential that lies within the borders of what we call home, and hope for the future. One of the few things we can count on is change, and all the speakers conceded that point, from Cole to MacKenzie to Gov. Dreyfus to Connally. But change isn't necessarily a bad thing. What is bad is when we don't take advantage of change and when we refuse to accept change.

The convention, the speakers and the truck dealers at Houston made me think about what is right with America! I believe a great deal is right with our country. As a young American, I am proud of my time. I have witnessed many changes in my few years, but I am very excited about the changes coming. I don't want to be anywhere else in the world but here. I know we have the tools and potential to meet the challenges ahead.

Our nation still has the potential to be the greatest leader in the world. We have the best education, the highest standard of living and the most representative form of government. Many people are

becoming alarmed at a decline in some aspects of our life and rightfully so. But we still are the most envied nation on earth. Why else would thousands of Cuban and Southeast Asian refugees flock to our shores? Why else would thousands of Iranian students obtain visas for this country? Why else would every major industrial nation seek to sell its goods in our market?

I am convinced we will meet the challenges of this decade but it will take time, money and effort. We will have to rely on our resources to put our national productivity and economy back in working order. I'm not only talking about our energy resources of oil and coal, but about our people resources. One of the most valuable resources America has today is its people. We are a unique blend of every nation of the world and we have a bold and colorful past that has successfully dealt with a civil war, a depression and two world wars.

Our people are what's right with America. We've met the challenges in the past and we'll do it again in the future. There are so many factors going for us that the stack is decisively slanted in our favor. I saw in Houston a lot of the people who are going to help the truck industry run. They are individuals who are curious and concerned, smart and able.

There are a few things we're going to have to do to set things

right, however. I believe we will have to stop relying on the media to make our decisions. We need the information, granted; but the media shouldn't dominate our thinking. We also have got to stop thinking someone else will do the job. Nothing is going to get done the way we want it to be done unless we actively get involved. Sure, this might mean a little more time or effort, but we're talking about our lives, our children's, our families'.

We must stop relying on others to make decisions without our input. We can't afford to be lazy. The American people have permitted the federal government to grow into an uncontrollable and unmanageable monster that hampers business, stifles productivity and responds too late with too little. Each of us is going to have to get involved with both the legislative and electoral process.

What we will need in the time to come is action. If we are to continue as a people of self will—self determination, then that action becomes paramount. We have the ideals. All we need now are people to assume responsibility and become involved. We must communicate to each other and the world that America doesn't consider itself down and out.

I don't think any nation that could put a man on the moon, develop the most destructive force in the world and not threaten the world with it, or amass the countless other achievements that we have, could do anything but prevail. The only thing we've been a little short on is action. That's coming. I saw it swell to a point in Houston where the hotel almost burst. We're on the right track. Let's mobilize America. Let's get involved. Let's get productive. Let's show the world, once again, What's Right With America! **Æ**



# Rustproofing and Paint Into the

**"T**hey're growing faster," the midwesterner said, "than rabbits in a good garden."

The man who made that remark wasn't a farmer, and he wasn't complaining. He was an automobile dealer, and he was talking about the number of rustproofing, paint sealant, and other auto protection sales he'd been making recently, almost, he said, without trying.

He might as well have been talking about the growth in the number of rustproofing and paint sealant companies, and the number of them who have, in recent years and months, gone beyond specialization to offer a full range of car care products and services. The number is: a lot, and the number is seemingly growing all the time.

The rustproofing and et cetera business until recently has been largely overlooked, and it's a product that car buyers never seemed to know too much about. Salesmen told them they could get it or they could not get it, a buyer looking for price usually decided he'd rather have a radio or white sidewall tires, and nothing further was usually said about it, by either party.

But that was *then*—back in those long lost days when people handled their cars like kids do their baseball cards—back when they thought of things like *buying* instead of terms like, *disposable income*.

Today, people are thinking about *not* when they're going to buy their next car, but when and whether they're going to be able to. And when the majority of customers do buy their cars, one of the first things they think of (probably after fuel economy) is what they can do to make that car last.

The whole prevailing attitude among the public today spells a-f-t-e-r-m-a-r-k-e-t. It's hot, it's likely to stay hot, and that's why dealers are finding a lot of different people knocking on their doors—salesmen *and* customers.

Slightly more than a decade ago, people were talking about "improved" and "high gloss" waxes,

but "paint sealant" hadn't yet become part of the everyday language of the business. But Walter Fiveson, who had had stints as a salesman in the chemical and automobile businesses, came upon a formula he decided addressed a real need in the automotive business: the need for a top-notch auto body conditioner.

Fiveson, probably more than anyone else, proved the public was interested in long-term finish protection, and he proved just how much an aggressive marketing strategy could pay off with such a product—a product he decided to call Polyglycoat.

He first began to market the product through Execu-selling, a firm he established to train and place after-sales experts in automobile dealerships, and today several car-care firms will provide dealerships with the after-sales help they might need.



# Rustproofing Sealants... Big time



Field testing is one of the reasons why the warranties attached to rust sealants have become more attractive.

The paint sealant business has only really begun to heat up in the last three or four years, when several companies decided to expand their lines of products. Basically, the products seem to fall into two camps: silicone based and petrochemical blends, and basically, they promise to make waxing "obsolete."

Rustproofing has been around since WW I was known as the World War, it's been part of the automobile business since the 50s, and it began to get some real notice just about a decade later. If you're a chemist, you may be able to tell many of these petrochemical products apart; but if you're not, the main things you might look at are the viscosity, the ease and type of application, and the manufacturer's reputation.

Each of those items might determine whether or not you are going to have a lot of dissatisfied customers and a lot of hassle. The material has to be viscous and tough enough to adequately protect the underbody, but some observers feel if the material has the ability to "creep," it has a better chance to do a good job covering the hard-to-get-at, rust-prone areas throughout the rest of the car. Most companies use one ma-





*A development chemist at ECP, Inc. tests panels for rust after exposure in a five percent salt fog cabinet.*



*Applying rust inhibitors to the underbody looks like a fairly simple job, but some products adhere better than others, and because of color or texture, some may be easier to track.*

terial and one viscosity, but not all. Many use different applicator devices to do the different jobs.

If a dealer wants, he can handle car-care products in a variety of ways. If he would rather not have his own people handle the product at all, he can go to a company that will do the whole operation for him, from the selling to the application.

Nationwide Ultra Seal, Inc., for instance, a Westbury, N.Y. firm, will train *all* management, sales and service people in its aftermarket sales program; it will agree to train *one* individual to handle the products, or it will provide a trained aftermarket specialist itself.

Most of the rustproofing companies count on the dealer's own personnel to apply the product, and they will train that personnel. Some, though, have "mobile units" with their own crews to do

the job. Ultra Seal is one of the latter, and will promise the dealer 24 hour or same-day service, depending on the area.

Some companies, like Ziebart and Tuff-Kote Dinol, will handle cars in their own car-care centers, and others, like Polyglycoat, will, through their distributors, offer the dealer any arrangement he likes: they will train the dealer's people, they will bring their people to the dealer, or they will take the dealer's cars to their centers.

There are, without question, more than enough dealers around who can and do talk about the money they've made selling rustproofing, paint sealants, vinyl protectors and fabric protectors, but there are some other things to think about when you think about taking on these kinds of products.

Think about, for instance, your liability. Some dealers in Ohio have felt obliged to think about it

lately because of rules for motor vehicle rust inhibitors adopted January 26 by the state's Attorney General under the authority of Ohio's Consumer Sales Practices Act (H.B. 681).

The rules have wiped the word "rustproofing" off the lips of virtually every dealer in the area. The new recommended term is "rust inhibitor," and a number of dealers are wondering what they're getting into. But the rules seem to spell out and limit what the dealers' liability is, and some rustproofing companies we've spoken with say they are actually glad the rules occurred. They say the result will be a purging of those companies who have been marketing "inferior" products.

Tim Doren, the executive vice president of the Ohio Auto Dealers Association, says that in his mind, dealers, at least those in his state, should first of all never call rustproofing by that traditional name, and he says he advises against selling a product that in any way uses that term.

He says he thinks dealers should work only with rustproofing companies that escrow money for warranty situations, and he says the ideal situation for a dealer is to forego dispersing the warranty to the consumer and instead let the supplier of the product provide the customer with the warranty directly.

This can be achieved via a registration card given by the dealer at the time of purchase to the consumer, who then forwards it on to the product supplier to validate the warranty. If the matter is handled in such a fashion in Ohio, Doren says, the dealer's liability is limited.

Some companies, like ECP, Inc., an Oak Brook, Ill. subsidiary of Daubert Industries, Inc., and the manufacturer of the "Auto Armor" rustproofing and paint protection products, are taking on warranty insurance.

ECP describes its program as "... a unique lifetime, transferable rustproofing warranty backed by separate, annual insurance coverage in excess of \$1 million," and it only requires one inspection—at the end of the first three years of new car ownership.

Quaker State Oil Refining Corp., the manufacturer of



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METAL-GARD rustproofing, says it "... provides full repair coverage at no cost to the car owner, and requires inspection by the dealer only every third year."

Under its rebate program, the company says, registration fees for each vehicle rustproofed with METAL-GARD are placed in an escrow account in the dealer's name, and after the sixth year of the plan and annually thereafter, the first-year fees plus interest, less inspection costs and claim costs, if any, are rebated to the dealer.

In other words, if a company applied the Quaker State product to 500 cars in 1980, the \$10 fee per car would generate \$5,000 for the dealer and by 1986, at simple interest, the dealer could get a refund of \$7,000 or more.

A spokesman for Quaker State says his company's warranty to the customer is in effect even if the new car dealer applicator happens to miss an area that eventually falls prey to rust. The company, he says, doesn't feel the consumer should be placed in a position where both the manufacturer and the applicator are denying legitimate rust claims.

The point is, the dealer can make money rustproofing, but he has to know going in that the rustproofing company will be there, with money in hand, if a claim should bear fruit. He also has to know, going in, what circumstances, if any, would find him liable for all or part of a claim.

Most companies today, but only recently, have decided to offer "lifetime" or "life of the car" warranties against rust or rust perforation. They are doing that partly for competitive reasons, partly because their products have been improving, and partly because the cars have been improving themselves.

Ford Motor Co., for instance, has been offering on all its cars and trucks of late, a three-year, unlimited-mileage corrosion perforation warranty. The reason is, Ford as well as other manufacturers, has been making heavy use of phosphate sprays, cathodic electrocoating, vinyl sealers, and aluminized wax.

Galvanized steel, zinc-rich primer, zinc-iron alloy, plastic fender liners, aluminum panels

and tougher paints have also come increasingly into play, and Detroit and most of the imports have also improved drainage from body cavities, eliminating moisture-holding pockets.

Because of all this, the rustproofing companies seem unconcerned that new car buyers are keeping their cars increasingly longer (4½ years, as opposed to 2.8 just a few years ago). Likewise, they seem only slightly impressed by the age of the average car on the road today (6.2, compared to 5.5 in 1969). They're making it very difficult for the customer to refuse the terms they're offering.

A good example of the direction in which the car-care business is going is the track record of Polyglycoat. Just about a decade ago, the Fiveson business was not that far removed from the image of a "mom and pop." Today, Fiveson says, "we're more than doubling business every year."

Rusty Jones, Inc., a Chicago-based company whose rustproofing product was once marketed under a name it had to admit "no one could remember," (Thixo-Tex, in the early '70s) last year pushed past the \$70 million mark in retail sales. That's quite a push from nowhere in '72 to an annual rate of \$25 million under the new name in '77 to \$60 million in '78.

Dealers have the wherewithal to come up with some good numbers too, but they've got to decide whether they want to deal with a company like Ultra Seal, which will sell them just about everything, including car lock systems, or a company like Salt Lake City's Siskin, which is basically interested in selling dealers its paint protection product.

It's a good idea to look at a company's product (they're not all the same), its warranty (they're definitely not all the same), its claims-paying policy, (likewise) and its customer complaint ratio (you will often be shown figures of under one percent).

Pay attention to the fact that many of the paint sealant products have not been around that long, and that the vast majority of them offer three-year warranties. (Rusty Jones' brand-new exterior gloss treatment is one of the exceptions, offering a life-of-the-car, no-mileage-limitation guarantee.) You

might want to look at a company's test results.

Think long and hard (but not too long) about getting into this business, if you're not already. Talk to other dealers about their experiences with various companies and find out from your state association as to whether your state has experienced anything like the Ohio experience.

If all the signals add up to "go," you'll probably end up glad you charged ahead.

---

Rust Proof	)	What Is In A Name?
Rust Resistant	)	
Rust Inhibitor	)	
Rust Retardant	)	

Dealers should be aware that while selling sealant services can be an excellent profit booster, usage of the word "rustproof" can create some very real problems for dealers when used in warranty documents, advertising, or any oral representations. Recently, a state Attorney General determined that a dealer had warranty exposure, both express and implied, when a "rustproofing" product rusts. His opinion was based upon the Uniform Commercial Code (the law in the District of Columbia and all states except Louisiana) and the cases thereunder. Dealers may recall a similar situation involving a misrepresentation action which plagued the wristwatch industry when it used the term "waterproof."

In a recent warranty case, a state Attorney General advised a dealer that he was liable for monetary damages because a so-called "rustproofing" product had not lived up to its implicit representation that it would prevent rust. Additionally, the dealer was told that he had to refund the price of the rustproofing and pay for the cost of repairing the customer's car.

Years ago, the wristwatch industry faced similar problems when it incorporated the word "waterproof" on its products and in its advertising. Costly legal liability was directly related to the term "waterproof" because watches did not perform under water as the manufacturers had represented. Today, words such as "water resistant" are used on watches—and the word "waterproof" is avoided.

It is relatively easy for dealers to avoid the potential pitfalls of warranties and misrepresentations by avoiding usage of the term "rustproof". In place of the word "rustproof" dealers are encouraged to use terms such as "rust inhibitor" or "rust resistant."

---





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New Metal-Gard is super-competitive. So don't take any other phone calls. Because we've got a package you can't deny.

## **Profit when you apply it.**

As we said, Metal-Gard is super-competitive. And you know our distributors to be aggressive, fair-minded businessmen. So we think you'll get a price you can't resist. And with a profit potential that you can't resist either.

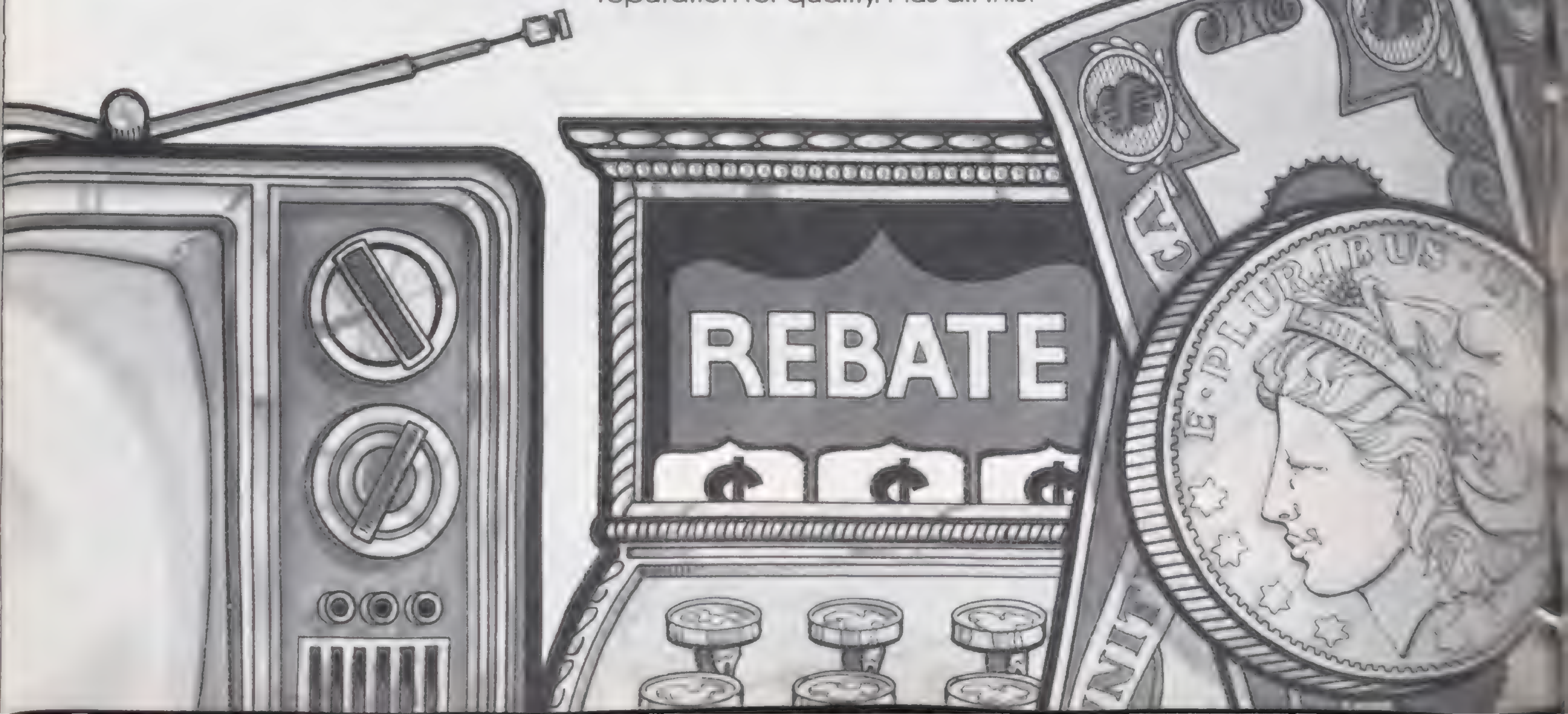
## **Exclusive registration fee rebate provision.**

With each customer warranty appli-

cation forwarded to Quaker State, you include a \$10 registration fee. That \$10 doesn't go into our pocket. It's placed in escrow in your dealership's name. We invest safely. And after the sixth year of the plan, and every year thereafter, you get it back with compound interest, less whatever claims and inspection costs your program has incurred. Nobody can predict interest rates. But it's conceivable that with careful application procedures, you could get back more than what was placed in the program. Example: Apply Metal-Gard to 500 cars in 1980, and \$5000 is generated. In 1986, at simple interest, you could get a refund of \$7000 or more. And the beat goes on year upon year.

## **All right, but is Metal-Gard that good?**

It's odorless. Clean. Virtually dripless. You save money in equipment investment. You save money on house-keeping and vehicle clean-up. (Metal-Gard sprays clean and it's easy to keep your bay area clean.) But is that enough? Not really. So then we add Quaker State's undeniable reputation for quality. Plus all this:





# NEW QUAKER STATE ROOFING SYSTEM. PROFIT LATER—WITH INTEREST.

## Metal-Gard tinted for applications savings.

Many rustproofing compounds are clear, while Metal-Gard is buff-colored. The color gives your applicator a depth perception that clear products don't. This helps him judge the right coating thickness without risk of overspray or underspray. Overspray could slice your profits per drum of product. Underspray only leads to warranty claims. And unhappy customers. Quaker State helps protect you against both.

## Guaranteed for life with first owner.

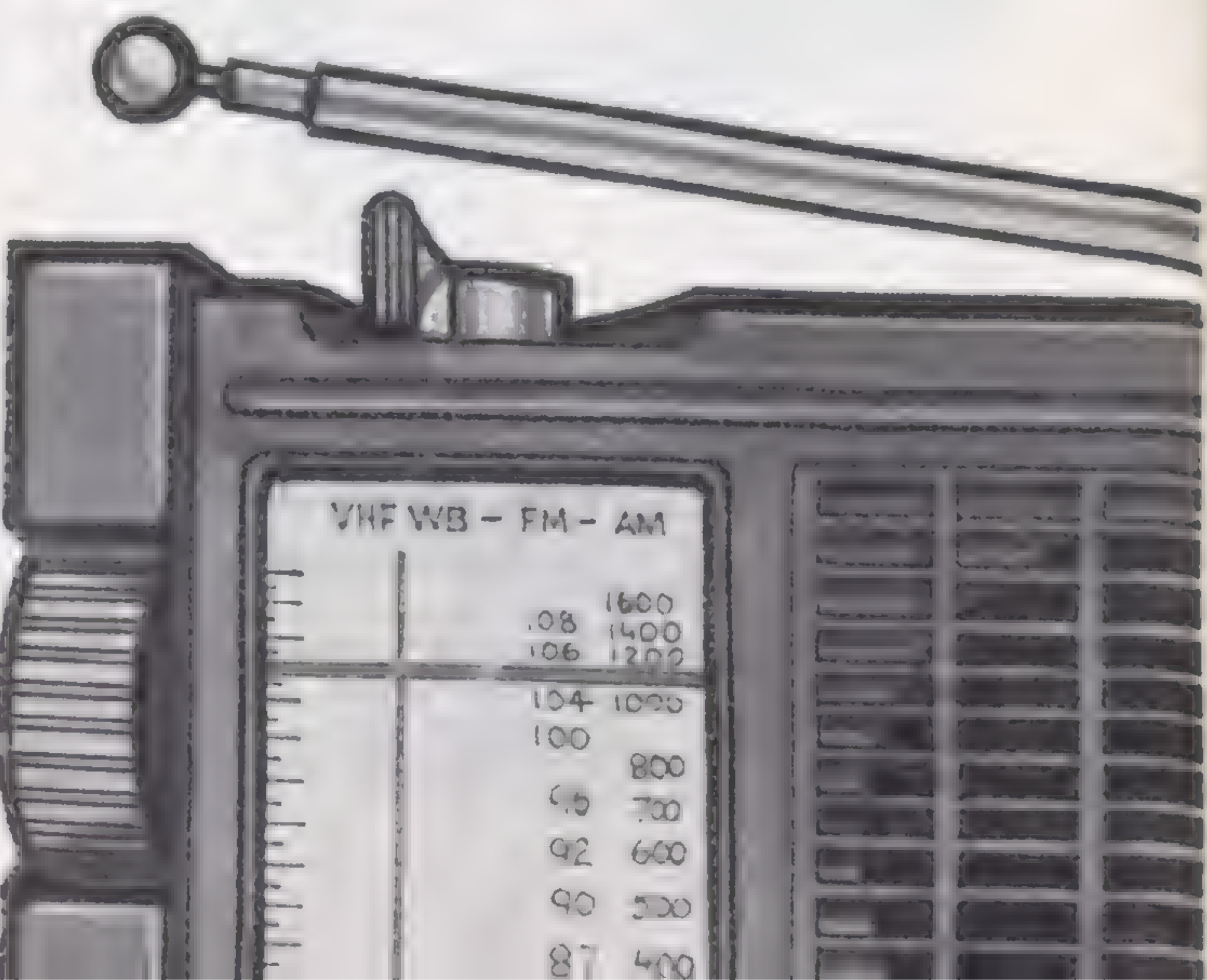
No mileage restrictions. No nothing. Your name doesn't appear on the warranty. That's up to us. And if this doesn't sound any different from the other guys, think who we are. A Fortune 500 company...with plenty of resources. Fact is, we will be around—and very much alive—long after you've retired.

## Inspection every third year, not yearly.

What does that mean? Instantly we've wiped out hundreds of hours of profitless time in your Service Department. For example, let's say you sell 500 applications of certain competitor's rustproofing product in 1980. In 1981, those 500 customers are required to return to your dealership for inspection. That's 500 non-paying service appointments. What a waste of valuable service profit! Now think how this problem will compound itself in 1982 and thereafter. In the long run, that competitive product could cost you all your rustproofing profits. Is it any wonder we opted for inspection every third year? And are we worried? Not one bit.

## No waste drum.

Here's another nice surprise. Metal-Gard comes packaged in a plastic liner (something like a "Glad Bag") inside a fiber drum. You gain two ways. First, absolutely no product loss. What the pump doesn't reach (and you'd throw away) can now be transferred cleanly to the next drum by simply slitting the plastic liner over it. You use every drop. Second, you now have clean fiber drums which you can use for trash, or donate to the community, or dispose of easily—with no mess whatsoever. Suddenly, dirty drums with wasted product are no problem. And won't the ecologists love you.





## Minimum inventory needs.

You've heard this argument before. But it's even more valid with Metal-Gard. No rustproofing comes close to our ability to deliver product fast. The competitors could take days to deliver, while we can be there in hours. You don't have to overstock. At today's prices for rust compounds, that's a godsend to your cash flow. Why tie up \$5000 or \$6000 in inventory?

## Application training.

Proper application of Metal-Gard benefits you two ways. First, you capitalize on the return of the unused registration fees. Second, you reduce irksome customer complaints. We'll support you by training your applicator at start-up time. And by working with our Quaker State distributors to hold periodic re-training clinics. These sessions will update your technicians as new application procedures are developed. Your applicators will also have Quaker State's easy-to-follow procedures manual for reference on a day-to-day basis.

## Intensive advertising and promotion.

Quaker State will advertise and promote Metal-Gard in the rust zones with greater advertising weight than it does for its famous brands of motor oil. This means you can benefit from an overwhelming association with the

Quaker State name and the industry's heaviest advertising. TV and radio commercials will have a five-second tag identifying your dealership's name. Newspaper and regional magazine ads will list your name. You'll be given special promotion materials—including a dramatic "in-store" display, car top and desk tents and customer sales brochures. And they're free. If you wish, you can place additional advertising of your own. Such advertising will, of course, be in addition to the advertising to be placed in your market by Quaker State. A real one-two punch.

## Big profits—greater volume.

So as you can see, Quaker State's new Metal-Gard rustproofing program promises to be super competitive and super profitable. Quaker State's new Metal-Gard will be priced competitively. And in some

cases probably less than competitively advertised products.

It's no secret that "advertised" rustproofing products have been sold for \$200 to \$300 per application. With 12 applications per keg, you can anticipate a gross profit anywhere from \$2400 to \$3600 per 16 gallon keg of product. And it's important to remember that the Quaker State name plus heavy advertising may well result in your ability to sell far more rustproofing applications. And gain that extra handsome profit.

Quaker State has the product quality, brand name acceptance, competitive price, marketing know-how, and powerful consumer advertising. So, you can expect significantly increased rustproofing sales and profits.

In summary, we offer you the most comprehensive and competitive rustproofing program in the business.

- Quality product
- The Quaker State name
- Lifetime warranty
- Inspection only every 3rd year—not yearly
- Registration rebate plan
- No waste applications
- Low inventory costs
- Reusable drum
- Quaker State training
- Heavy consumer advertising
- Sales promotion materials
- Highly saleable product
- High profit margin

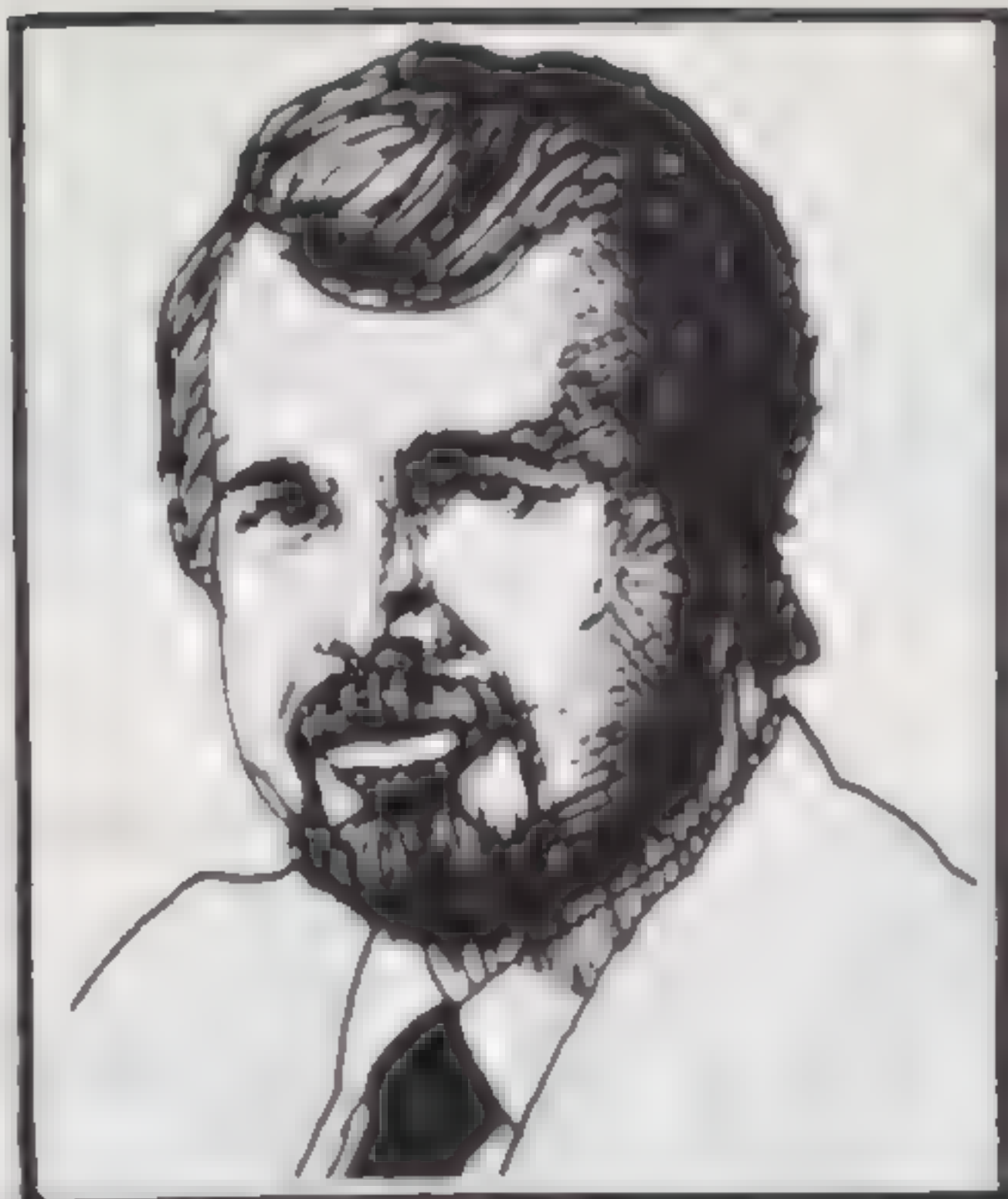
In short, Quaker State has created another super profit opportunity for you. Call your Quaker State distributor immediately.



# TRUST US AGAINST RUST. QUAKER STATE HELPS CARS LAST.



# THE SERVICE



# DEPARTMENT

Douglas Eickhoff

## Have You Really Looked At It?

**H**ave you looked at your Service Department lately? Really looked at it? Have you been there, standing in line at 6:00 or 7:30 in the morning when your Service Department opens? Have you spent a couple of hours in the service floor in the morning or in the evening when your customers pick up their cars? Do you really know what your service advisors are doing, the abuse they are taking from some of the customers, the explaining they have to do to justify your company policies, factory warranties and government regulations?

Do your service advisors know how to greet a customer properly? Do they know how to listen to and interpret what he says and pertinent questions? Do they know your service manager know

how to talk with and handle an irate customer? Chances are your Service Department has at least one such customer every day.

Are your Service personnel aware of their responsibility to you—the dealer—to the customer and the factory? Have you, or anyone in your agency, ever really told them? Do you have their job responsibilities written out and have you gone over these responsibilities with them so they understand? Do they know how to talk with a customer on the phone?

Have you watched and listened to an explanation of a repair bill at your cashier's office window? Do you have a feedback method so you can monitor the satisfaction of your Service customers? Can your customers "drop off" a car early in the morning, late in the evening or on Saturday and write their own legally binding repair instructions?

Does your Service Department offer Service Specials that keep your customers in your Service Department and make you money? Do you maintain a good service follow-up system? Are your Parts and Service Departments competitive with mass merchandisers? Does your service manager control personnel expenses? Does he give you a monthly semi-fixed forecast that he has to live by? Does he control supplies, supply expenses and policy (goodwill) expenses? Is your dealership utilizing a good, sound purchase order system in all departments?

**I** have just asked you some very basic questions about your Service Department. How many times was your answer "no"? Five times, ten times, twenty times? Don't feel too bad, you are not alone. Most dealers like yourself park far away from the Service Department entrance door, say "hi" to their sales manager and ask "how many cars did we deliver last night?" That \$500, \$1000 or \$1300 gross per car sure adds up a lot faster than the nickels and dimes collected in the back end. Face it, the Service Department can "sell" you more cars or can cost you more car sales than any other department in your dealership.

It is our goal, through this monthly column, to help your service manager to manage his department better and to show your service advisors how to improve their service to both the customer and the dealership. You will be given hints on how you, the dealer, through your management, can increase your customer's satisfaction and gain his loyalty. You will be shown ways to increase your Service Department labor sales and how to control gross profit.

Needless to say, a satisfied customer is the best customer you can have. A satisfied customer will buy another car from you and he will recommend your dealership to others. It only costs a little more to do the job right. Take a look at your advertising budget; should you divert a few dollars to the Service Department where you have a captive audience?

Æ

This column is prepared exclusively for *Automotive Executive* by Douglas Eickhoff, Service and Parts Director of Steve Foley Cadillac, Inc. All comments or questions pertaining to these columns should be addressed to: Douglas Eickhoff, Steve Foley Cadillac, Inc., 100 Skokie Blvd., Northbrook, IL. 60062.



# WOMEN AND THE SERVICE DEPARTMENT:

ARE YOU PUTTING THESE CUSTOMERS OFF?

By M. McDowell







**T**he small, gray-haired woman wished she had a man with her. She had taken lunch-hour time from her job as a secretary to pick up her five-year-old automobile from the service department of a dealership near her office, and she was filled with dread and suspicion.

"I expect to be intimidated," she said. "All the agencies are the same. Best thing to do is bring a man with you, then they don't try to pull that stuff on you. I have to take their word, but a man knows. Three months and a week ago they put a new water pump in my car here, and charged me \$200. Now I'm back because the car is leaking water; I've lost all my anti-freeze. Now they say I need new hoses. Why didn't they check all the hoses when they put in the water pump? I have always felt that all businesses treat women differently."

"Oh, they're polite," she said in answer to a question. "They took me to my office this morning in my own car—it was a slow leak and there was still some water. But the best thing to do is bring a man with you."

Similar sentiments were echoed repeatedly in a random sampling of women customers in a large East Coast metropolitan area. Automotive executive tried to discover how women customers feel when they know they must approach the service department of an automobile dealership, and that they often seem to feel is fear and apprehension and distrust. A few of the women we spoke to felt they had solved their problem by searching to find dealer service which they felt was reliable. Others relied on neighborhood repair stations with which they were familiar for all their repairs. In contrast to the feelings women customers expressed, the

service managers we interviewed at three dealerships felt they took excellent care of women customers. Two of the managers said they preferred to deal with women because they were more willing to ask questions, and to admit they were not experts on the subject of their cars.

The dealerships reported that between 50 and 65 percent of all cars requiring service were brought to their departments by women, and figures from the American Automobile Association indicate that nationwide, women indeed are often the ones to drive the car through the door.

According to George G. Giek, director of Approved Auto Repair Services and Automotive Engineering and Road Services for AAA, the majority of complaints that come to his office are from women, and there are other reasons why women's perceptions are of dollars-and-cents consequence to dealer service departments.

One report indicates 40 percent of all cars currently sold are bought by women. Latest figures show that 65.6 million, or 46.2 percent of the licensed drivers in the U.S. are women, and that latter figure will almost assuredly go up when statistics are published for 1980. Only 39.2 percent of U.S. drivers in 1960 were women.

A perusal of *Motor Vehicles Manufacturers' Association Of America—Facts And Figures* reveals that when last surveyed, service stations performed 46.5 percent of all auto repair jobs. Independent shops did 34 percent, and new car dealerships had less than 10 percent of the market.

H. William Bendall of AAA said that many of the complaints received by his association—from customers of either sex—allege they have been oversold with unneeded repairs. They say they feel

they've been taken advantage of. And complaints also indicate customers feel dealer service departments are more expensive than other repair facilities.

Giek pointed out that nationally AAA gets 20 million tow calls a year. "A high percentage of these result from corroded battery terminals," he said. "Women especially rely on service departments or repair shops to care for little things, such as battery terminals."

Both men pointed out that automobile repairs will increase in importance because Americans are keeping their cars longer, since both the cost of a new car and interest rates on money to purchase it have risen so sharply. "In 1969, the average age of an automobile was 5.5 years," Giek said. "At the end of 1977, the average age had risen to 6.2 years. But the average age of a car in New Zealand is 28 years. They have the oldest cars in the world." He pointed out that today's cars can run a very long time, if they are properly driven and cared for.

A shop supervisor interviewed by AE at a Volkswagen agency described today's woman customer as "very money conscious. Some are tougher about money than their husbands," he said.

A tall, willowy woman in her early thirties, who owns a 1965 Mustang, made the cost factor vivid. We found her at the parts department of one dealership. "I







do my own repair work," she said. "It's easy enough. My grandfather showed me how when I was 18. The first time I took a transmission out I discovered it really involved just dealing with a series of bolts. But if the bolts have been put on with an air gun like mechanics use, it can be hard. The first time I took a transmission out—it weighs 50 or 60 pounds—I couldn't lift it to put it back in, and another woman friend had to help.

"Mechanics make more than \$20 an hour," she continued. "I work as a secretary, and I don't

make \$20 an hour. If I reach the point where I do, I'll have the work done."

The service manager of this particular agency admitted that seeing younger women at the parts counter was not unusual. "They seem to know what they're doing," he said. "And the high schools give them training now. You never heard of women fixing their own cars years ago."

At the Volkswagen agency, we found another young woman whose concern was not cost, but reliability. "I trust these people," she said of the dealership, where she had driven more than 20 miles to bring her car for service. "I've had bad experiences; the others I've tried ripped you off. I started coming here 15,000 miles ago." She paused. "I think men do know more about cars. They can tell when something's wrong just by driving a car."

When asked if she'd ever thought of learning to fix her own car, she replied, "I'm a sales rep, and I work 16 hours a day. I'm on straight commission, and my time is too valuable." Her Rabbit is 5 years old, and she'd been driving Volkswagens since 1965.

A woman who was with her at the shop said she never took her 1978 domestic to a dealership for repair, "because of bad experiences." A service station where she and her husband are regular customers gets all their repair business. "I have more confidence in them," she said. Yet she did say that when she owned another make car, she always took it back to the dealer, "... because that organization was straight forward."

In spite of the tone of suspicion voiced by the women interviewed, all three of the dealerships we visited claimed a repeat business of

90 percent or better.

"I always say the first car is sold by the salesman, but the service department sells the second car and following cars," said the service manager of a relatively new Cadillac agency. Provisions for customers at this agency were by far the most elaborate of the three surveyed. The agency itself is an architect's delight, and its two waiting rooms are plush with carpeting, upholstered furniture, plantings and flowers. The service department, parts department and offices are immaculate, and the service manager wore a well-tailored business suit. Customer services include hourly limousine service to a shopping center a few miles away. At a department store in that center, customers can use a direct-line phone to summon limousine pickup when they're ready.

In the opinion of this particular Cadillac store's service manager, "The service manager and the man who owns the dealership have to agree on how they want to run the service department. The dealer has to be involved."

This particular service manager is especially conscious of the

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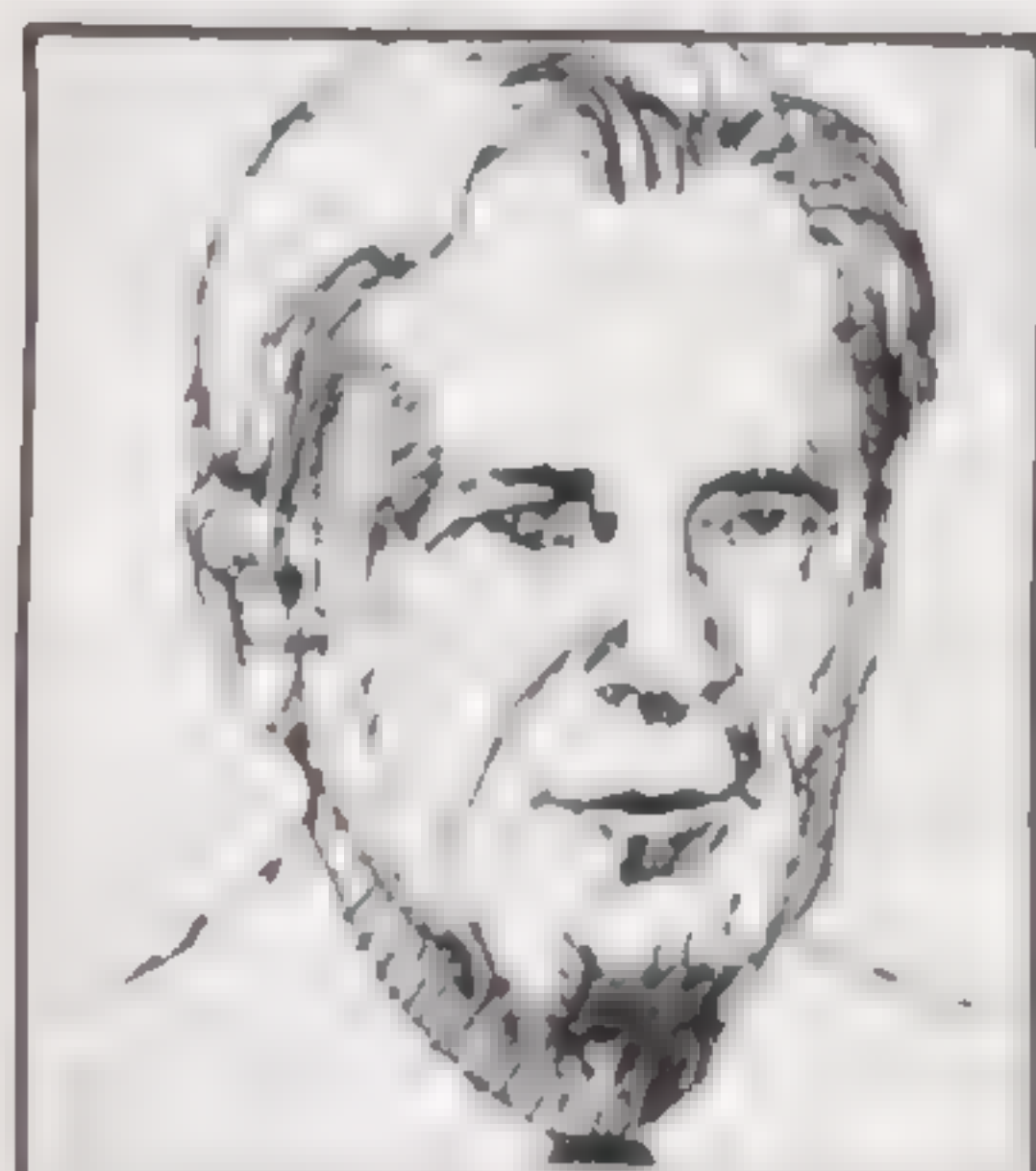
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# AUCTION BLOCK

## Our Industry's Stock Exchange



George Basel

**A**uto market activities at the auto auctions across the country are continuing to weather the depressed used car market. Generally, consignment continues to be firm if not a little ahead of last year. Percentage of cars being sold is maintaining last year's levels. The two extremes, as everyone knows, are that the small fuel-efficient cars are in high demand and bringing premium prices, while on the other hand, there has been little demand for trucks and station wagons. Due to favorable winter weather across the nation, a 4WD market never developed. In between these two extremes remains the bread and butter cars, the intermediates. A little surprising is the fact that the luxury size car still sells, if priced right. Generally, the wholesalers and retailers have adjusted their equity position in their inventory and are now ready to proceed on with their business of selling used cars. Therefore, the auction industry sees a good pre-summer market approaching.

\*\*\*

Fred McConkey of the South Seattle Auto Auction recently announced a further expansion of the auction's new facility which just opened in January of this year. To accommodate the increased business, an additional 12 acres of parking area are being developed on the north side of the property. On the south side, a railroad spur is being installed so that the car manufacturers and various lease accounts can ship their cars by rail directly to the auction.

\*\*\*

H. J. Beacham, former owner of Big "H" Auto Auction, Houston, TX., passed away last February. Beacham owned Big "H" Auto Auction for 14 years and had been in all phases of the automobile business for 30 years. He was 53 years old.

\*\*\*

The Southern Auto Auction Association held its spring meeting April 10-12 at the Rivermont Hotel in Memphis, Tenn. Association president, Gerald Jeffrey, turned the gavel over to Leon Brinkley for the coming year. Leon is owner of the Paragould Auto Auction, Paragould, Ark. Concurrently, the Board of Directors of the National Auto Auction Association met for *their* spring meeting.

\*\*\*

**B**rasher's Sacramento Auto Auction has begun renovation of its auction facilities. The Brasher people are adding 5 acres of new parking space to give them a total of 1200 auction car spots and 300 spaces for customers. Larry Brasher is completely redoing all office facilities to provide a more expeditious flow of paper work for his dealer body. The last and one of the more important improvements will be the computerization of all office operations.

\*\*\*

It takes cars to sell cars and Melvin Reed of 166 Auto Auction Inc. recently purchased 458 Ford cars which produced the following check made out to Ford Motor Co., dated April 10, 1980.

MELVIN REED'S		No. 52112	
166 Auto Auction, Inc.			
2944 WEST SUNSHINE			
SPRINGFIELD, MO. 65807			
PAY TO THE ORDER OF	DATE	SERIAL NO.	CHECK NO.
FORD MOTOR CO.	4/10/80	458 CARS	52112
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woman customer, and he told us that at least 60 percent of all cars brought to his department are brought by women. "Good service," he said, "doesn't happen accidentally. We work at it all the time. For example, our service writers don't work on commission as they do in many agencies. This removes any temptation to oversell, or for a writer to be too busy to look after the customer. When I hire personnel, I look for an individual with a good reputation, and I look for courtesy. You can't

teach adults courtesy, but you can teach them other things, such as skills.

"The chief difference between men and women customers is that a woman will admit she doesn't know something, and a man hates to admit this. For every man who admits he doesn't know, 10 women will readily admit it. But women get mad more easily than men when they don't understand. So we make every effort to explain repairs to them. We'll take them to the shop and show them what re-

pairs entail."

This service manager felt that cleanliness was of utmost importance to all customers, but especially to women. "We put plastic seat covers on each car we work on, and paper mats on the floor. We put these on and take them off in front of the customer." In addition, a comment card which the customer can fill out is hung from a knob inside each car, and it asks:

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Two of the service managers we talked to ran one-night-a-week clinics especially for women customers. "We give them basic information on how a car works," said one. "We explain the workings of a transmission and a combustion engine. They learn what carburetors do. We've run it for two years on Wednesday nights for an hour or so, serving cookies and coffee. The first week I expected about eight to ten people, and 30 showed up. We had invited only women by mail from among our customers. It wasn't many weeks until the women were asking if their husbands could come."

Does such attention pay off? The Cadillac dealership, for one that we've mentioned feels it does. "We have the lowest customer complaint record per 100 cars of any Cadillac agency in our region," the manager there said with a smile. "It pays off in every way."

George Giek of AAA supported these sentiments when he told of a Houston dealer he knew who meets repair customers in the morning and helps deliver cars to them at pickup time. He does this several days a week because he feels that being involved with customers tells him more about his business than figures ever can.

"We are being forced away from a throw-away society and into a maintenance society," Giek said. "There are no more \$3,000 cars. There's a market out there in that repair society."

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(From page 18)

in the St. Augustine area.

"I think now . . . if you would go into established places around town and ask where you could get an RV fixed," he predicts confidently, "they would probably send you here."

Word-of-mouth advertising also plays a large part in the Lowe dealership's successful RV service business.

"Many times we've had people bring RVs in from one of the campgrounds to get something fixed and, if we did what they thought was a good job—particularly if it was something someone else tried to fix and couldn't—they've gone back to the campground and told others about it. Usually we'll get two or three more jobs from the same camp when that happens."

Lowe likes to tell about another incident he feels indicates the Atlantic name is recognized around St. Augustine as the place to have your motor home repaired.

"My parents were driving down the highway the other day," he relates with a smile, "and they heard a guy on the CB radio asking where he could get his RV fixed. Before they could answer, another guy came back and told him to take it to Atlantic Dodge. I guess that kind of surprised my parents."

Does Lowe agree with reports that tourist travel is declining? He says it may be slipping a little but, more importantly, he feels the pattern of vacation travel is shifting.

"It used to be that between Easter and the end of school and again from the time school started to Thanksgiving were slow periods. But it seems in the last year or so, more people are inclined to take a vacation whenever they want to. They'll take the kids out of school and just go when they feel like it."

The largest area of decline in service Lowe has noted recently is with rented RVs.

"I don't know whether there are fewer people renting RVs for vacation, or whether the dealers who rent them are taking better care of them," he says, "but there has been a big drop in service work on RVs."

Lowe is undecided about whether he would advise other

dealers to follow his example and push for RV service business. Once again, the question mark is gasoline.

"With the gas situation the way it is, I don't know if it would pay someone to start out today to go after RV service. It's not something you can build up overnight," he admits. "But I don't think people with motor homes are ever going to quit going as long as they can find gasoline . . . no matter how high the price gets. Maybe they'll start taking shorter trips, but they'll still use them."

Lowe also feels many dealers are deterred from aggressively going after RV business because it requires a certain amount of specialization from the service staff and in parts inventory.

"Let's face it," Lowe stresses, "it's medium-duty truck work and maybe that's why some people don't want to do it. If you're going to be handling RVs, you either have to stock—or have available to you—a reasonable amount of

medium truck parts. I suppose we stock about \$3,000 to \$4,000 in parts that we wouldn't have if we didn't handle RVs."

As for the common belief that transient customers don't come back, Lowe's service manager, Larry "Mitch" Mitchell, says he hasn't found that to be the case at Atlantic.

"During the past six months, I'd say we've had about 50 out-of-towners come in who come back every year," says Mitchell. "I assume they come back because they're treated well and we do a good job."

"Then there are many of our full-time customers who came down here on a vacation and liked the area so well they decided to move here. Naturally, when they moved they just came to the same place where they had their automobile or RV worked on before."

The prevailing philosophy at Atlantic Dodge-AMC-Jeep is one that's displayed at virtually every dealership that tells AE it's serious about attracting transients' trade. They are all willing to give something extra to help a traveler get back on the road in a repaired vehicle.

"I think a dealer who wants tourist service business has to instill in his people a genuine desire to help others—but it has to start with the dealer," Phil Lowe says. "You have to have mechanics who will stay that extra 30 minutes to finish a job so people can get going that night, or maybe who will come in for a couple of hours on Saturday morning so tourists can get on their way and not have to wait until Monday. . . . I have good mechanics who will do that kind of thing."

Lowe doesn't spout this philosophy in an altruistic manner. He is—first and foremost—a businessman. To him, helping others is simply good business.

"I'm not saying we help people just to be helping them," he emphasizes. "We help people because we know that if we do an honest job and help them correctly, we're going to make money doing it . . . and I'm in this business to make money."


For dealers who keep hoping transient service business will go away, that's something to think about.

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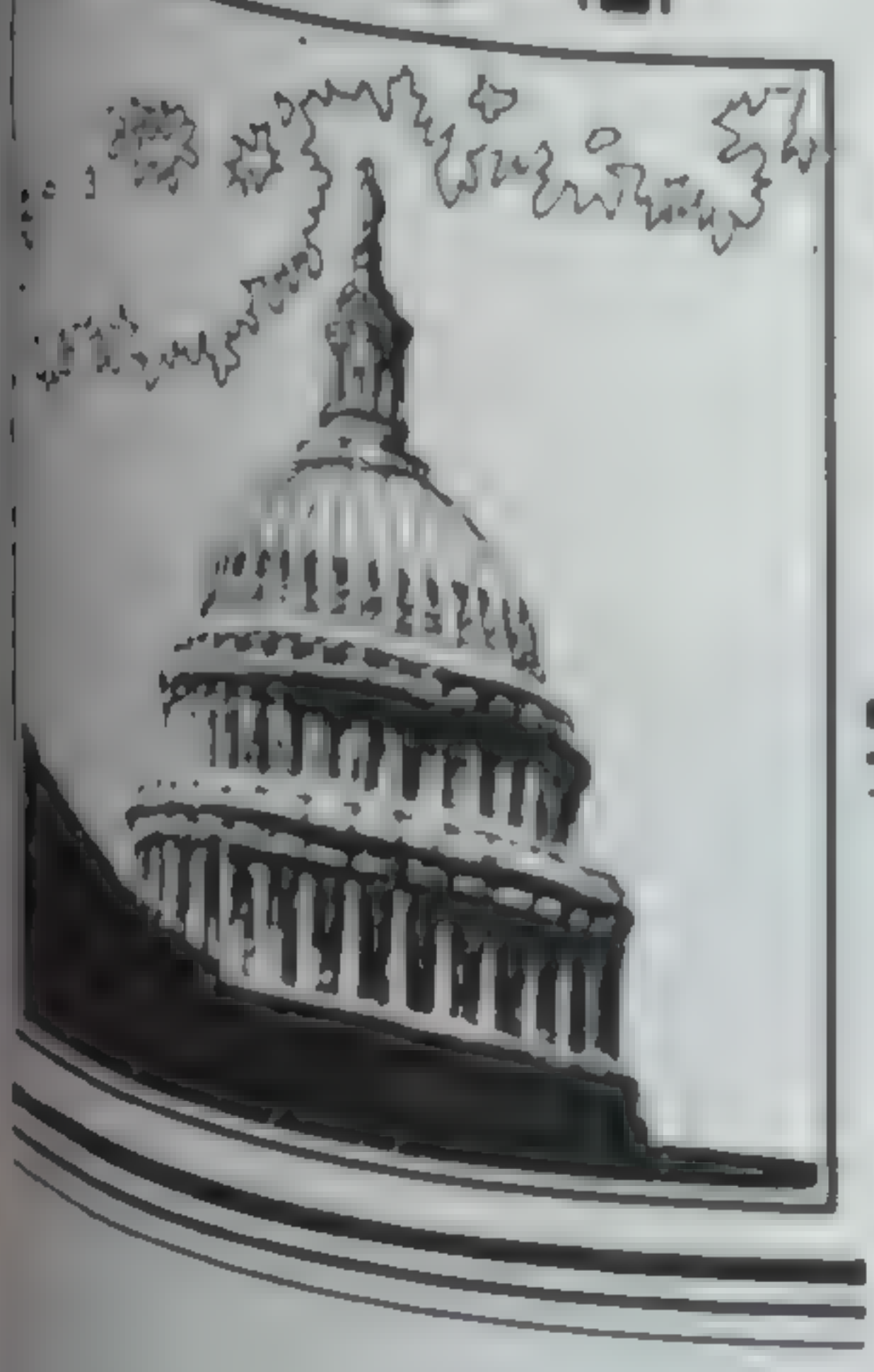
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# ON THE HILL



Congress considers  
Carter's oil import fee

NADA seeks economic  
aid for dealers

On April 24, the House Ways & Means Subcommittee on Trade began hearings on President Carter's Oil Import Fee which, at press time, was scheduled to take effect on May 15 unless the Congress acted to stop it. The fee will result in a 10 cent per gallon increase in gasoline prices.

Administration officials argue that the gasoline tax is the best available means for conserving gasoline. Estimates indicate the fee will reduce gasoline consumption by approximately 100,000 barrels per day by the end of the first year with an expected 250,000 barrels per day savings by the end of the third year.

Critics of the gasoline conservation fee claim that this is the least cost-effective method of achieving gasoline savings, that the fee is simply a revenue producing measure, and that there is no way of guaranteeing that refiners will not pass along the fee in the form of higher home heating oil prices.

Resolutions to overturn the fee have been introduced in both the Senate and the House.

With franchised new car and truck dealers facing an unprecedented financial crisis, NADA has been exploring every possible avenue to try and provide a means of financial assistance that will help dealers through this economically disastrous time. Appeals have been made to the President, the Congress, and the Federal Reserve Board for action that would help mitigate this crisis.

Recent NADA testimony before the House and Senate Small Business Committees advocated low interest loans or loan subsidies as a possible means for combating dealers' high floorplanning costs. Additionally, NADA proposed that a bank be allowed a credit against its reserve for consumer automobile loans and floorplanning loans. In this manner, banks would be provided an incentive to issue such loans. This concept, along with a proposal to exempt automobile financing from the 6 to 9 percent growth limitation on all loans by banks, was forwarded to Federal Reserve Board Chairman Paul A. Volcker in a letter from NADA President George Irvin.

NADA is also working with House and Senate leaders in an effort to temporarily override state usury laws for purposes of freeing up money for consumer loans in those states where the usury ceiling is well below the prime rate.

The high cost and availability of money are clearly the overriding problems confronting dealers today. NADA will be doing everything possible to help dealers during this time period and will keep you abreast of any developments in this area as they occur. **Æ**

This is one of a series of monthly columns dealing with legislative issues of concern to franchised new car and truck dealers. It is intended to provide a brief summary of those actions either already taken by the Congress or currently pending which will impact on your business.



# NADA SERVICE SYSTEMS-

## ORGANIZATION AND TIME CONTROL MEAN PROFIT



**W**hat we might call *management gaps* can be found in even the best-run businesses. They can be found in oil companies, in steel companies, in brokerage houses, and in automobile dealerships.

The gaps are there. Lost dollars leak through the unmanaged gaps, for example, that can be found in many dealership service departments. Has a service writer angered some customer because he promised a car by 5 p.m. and didn't deliver? Have your mechanics billed the store for hours someone forgot to note and pass on to the customer?

"A dealer I talked with this morning," says Robert Frawley, a consultant with NADA, "has figures to show he's failing to charge customers for \$10,000 worth of service work each month." That's a substantial omission—a costly one—even for an otherwise successful dealership that sells 1,200 new cars a year.

"Once that leak is plugged, his monthly net will get a lot healthier," Frawley says. "We hope to help him. Unfortunately, we observe this same kind of situation from coast to coast and in dealerships of all sizes."

The help Frawley and others give is delivered through NADA's

new Service Systems program. The goal of the program, says NADA Marketing Director Robert Daly, "is to eliminate the expense of operating an unprofitable service department. In these difficult times, we want NADA dealers to be able to cut off any unnecessary expense."

NADA Service Systems are individually tailored to each dealership, large and small. It is not a canned program; there are no far out, unrealistic schemes or gimmicks. Dealers do not need to rebuild their facilities, buy expensive new equipment, or hire and fire employees.

It is a program that is diagnostic rather than idealistic. It will find the problems, the holes, and alert the dealer to them. It analyzes the workshop: Where are the bottlenecks? Where is money being lost? How can productivity be improved? It adds a degree of scrutiny, a telescope for the dealer to keep an eye on his service department. With no more than a short questionnaire and a sample financial statement, an NADA service consultant has spotted problems.

"The whole idea of the analysis is to get in there on a two-day trip, see what's happening with productivity and see what's doing with

the R.O.s," says Frawley, who was instrumental in developing the new system. "Dealers tend to assume that what appears on the financial statement is completely accurate," he says. "That can be a bad assumption. Categorizing it as 100 percent true can cost a dealer a lot of money."

"We can help dealers sort out the details," Frawley says. "We can examine how they deal with customers. They get a chance to track down those missing dollars."

The heart of the program is a management and time-control system. "At least 10, maybe 15, problems can be corrected by modestly complying with it," says Frawley. It is often hard to keep track of the myriad details of running a service department, and thousands of dollars can be lost simply by failing to bill customers for work done but not recorded. Also, the dealer is often unaware of the *real* level of productivity. He might be using a compensation plan which encourages inefficiency and slow work. He might have trouble recruiting, training and retaining skilled people. All of these problems can come from inadequate controls. And all can be detected in the analysis.

The new era of consumer asser-



Business has underscored the need for quality service work and customer convenience and the fact is that dealers, if they go for the market, can gain. They have an opportunity to accommodate customers in a way their service competitors cannot match. Market trends, especially the rise of the self-service gas-and-go stations, have put new car and truck dealers in a position to recapture profitable maintenance work. The dealer can be competitive within regular pricing schedules with mass merchandisers, whether the competition is Penneys, J.C. Penney, Sears or anybody else.

Alan Wood, a Chevrolet dealer in Eau Claire, Wisc., thought about adding a repair order scheduling and loading system for some time before he did, and he finally called in Service Systems when he saw his shop situation improving a little bit.

The month before the system came in, Wood Chevrolet's service department profit *did* go up 11 percent over the year-earlier level, but it really took off the month the system was installed. Profits went up 50 percent over what they had been just 12 months before.

By the end of the quarter, Wood's net had climbed 254 percent over the previous period, and he recently reported that his '80 profits were 134 percent better than 12 months prior.

"We're super impressed," John Wood says, "with what has happened with our grosses." Despite his desire to go over to flat rate compensation, the grosses have increased with the shop on an hourly plan system, making the increased output of the technicians more remarkable.

Just through proper scheduling, Wood says, "and making the technicians aware of what they can do and what they should be doing, we're in a better position to communicate with both the technician and the customer. We've gotten rid of a lot of surprises, including being able to get work before the end of the day. We're able to put more work through, and the grosses have gone up appropriately."

The new service dollars can spill over into and affect other dealership areas. Each car owner directed to a dealership by the service department is at least a

prospect for the sale of a new or used vehicle.

How can a consultant help a dealer grab on to the potential any service shop has?

He can do things the dealer can't. Many dealers complain they get bogged down in details when trying to look at their service operations. A consultant can look at the big picture. Because he is not involved with day-to-day operations and is not familiar with individual employees, he can be impartial. He can call the shots as he sees them, and suggest a course of action that has worked in other dealerships.

"Most outside programs involve very large sums of money, \$15,000 and up," says Frawley. "And without exception, it seems they depend on the service department rigidly adhering to a program the consultant dreams up." NADA is different, he says. "We diagnose. We spot the problems, and then the dealer can immediately see what needs to be done. The faster we can show him the problems, the faster he can create a more productive and profitable department."

The Wood Chevrolet store tracks eight technicians on the scheduling and loading system, and it does track the pre-delivery activity. "Everyone is included," says service manager Gordon Steffen, "except the shop foreman, and we have a special system for him."

Steffen says the dealership has had a continual problem with paper flow, but he says NADA's service consulting has cured that problem as well. "Now," he says, "we're up to date at all times, everything's handled and turned in the way it should be, and I know the efficiency has added to the profit picture."

Says Wood, "Customer complaints have definitely lessened. Before we had this system, we had a backlog of approximately five to seven working days. Now, we can take care of emergencies, and we can take care of the people waiting. We're in a much better position to make people happier doing business with us. And we can get our pre-deliveries through with no problem."

Says service consultant Alan Flores, "We're NADA, and we know the problems a dealer has.

We've been in his shoes. No one needs to prove to us that an unprofitable service department is a drag on each month's net statement."

Says Frawley, "We will level with the dealer. We will tell him 'No, there is nothing we can do for you'—if that's the case. We don't have any ax to grind, and we don't have to sell him a pre-packaged program. The dealer will get what he needs, not what he can be sold on needing."

It's true that in many dealerships, repair orders are written up at the start of the day, that customers are told to bring in their cars "first thing in the morning," that just a pre-set number are written, and that customers are often turned away from shops that become open before the end of the day, but NADA says there is a better way.

After a short analysis, the service manager, the service writers—even the dealer—knows exactly how many hours can be sold in a day. Time is budgeted to complete each R.O. Work is scheduled by appointment. Each mechanic's time is preplanned daily. There is a systematic follow-up of the time allowed for a job, the status of each repair, and the actual time taken. The customers are happy to receive their cars when promised. And the dealer, thanks to coherent time control, knows at a glance what is going on in his service department at any given hour.

There are other benefits, too. There is no more early morning chaos. Low productivity can be recognized and corrected, and the mechanics have an opportunity to earn more money. Internal repair orders for new and used cars are completed on schedule, and the service writers can spend more time with each customer, thereby improving the accuracy and profit of each R.O. written.

In short, some lost dollars are saved, and they can be saved just about anywhere, according to Frawley, who says, "After all, I haven't talked to a dealer yet who couldn't save money in the first two hours of consultation."

For more information contact: NADA Service Systems, 8400 Westpark Dr., McLean, VA 22102.

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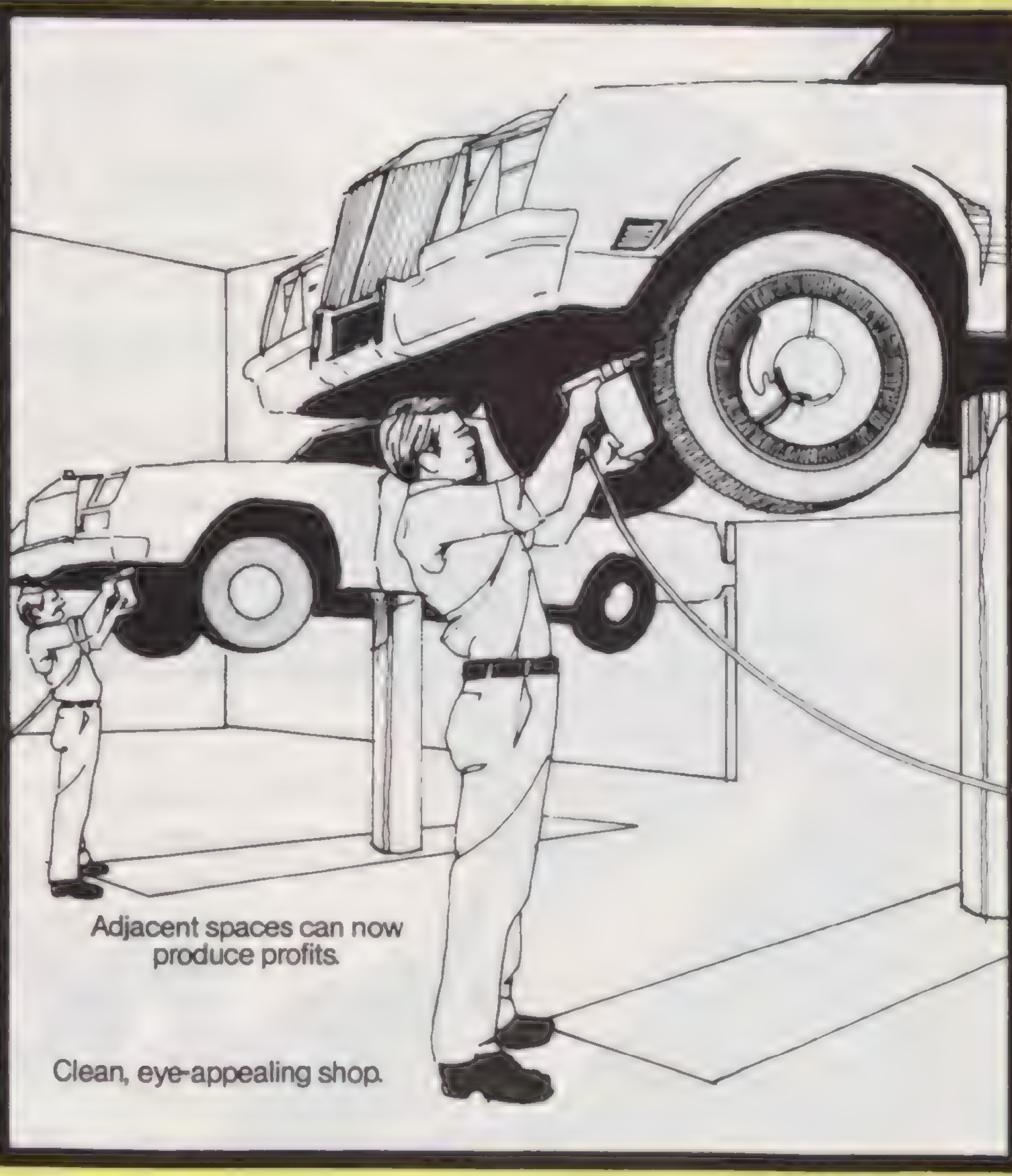
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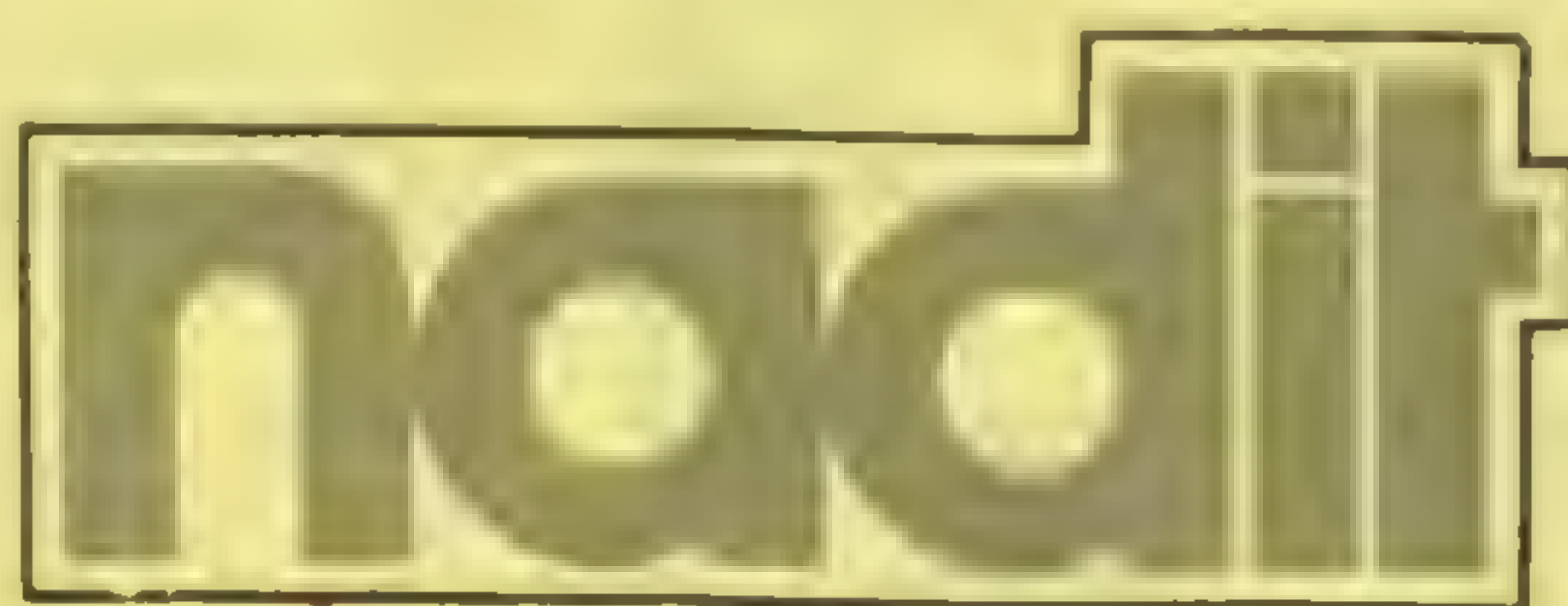
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# THE MESSAGE AT TRX-80: "WE HAVE A LOT OF WORK TO DO."

**T**he recent American Truck Dealers Convention in Houston was a convention of lessons. It was very much a convention preaching the American ideal, and very much a call to rally around the work ethic and the fundamentals of business. It was filled with messages about what can be done and what must be done, and it was filled with warnings as to what will happen to truck dealers and all small businessmen if the status quo is allowed to go unchecked.

"Not every truck dealership will survive," said one speaker. "Those who do will be those who adapt to the demands of the 1980s."

Outgoing ATD Director Paul Cole said he thought the three biggest issues truck dealers face in the near future are energy, inflation and productivity, and he said beating the energy problem means dealers have to begin aggressively supporting things like 55 mph speed limits, uniform size and weight limits, and domestic

energy resource programs.

He noted the nation's productivity went down in 1979, and he asserted the situation could be improved by the use of enlightened tax policies such as accelerated depreciation. He said government officials must be convinced about what is happening to productivity because of excessive rules and regulations, and he said that is a task that can't wait.

But Cole may have put even more emphasis on other types of productivity questions. Critical as productivity is to the profits of each dealership, he said, "...the demands of productivity prompt us to ask if it is productive for manufacturers to sell directly in competition with their own dealers." It also prompts us to ask, he said, "...if each of us is as productive as possible. Do we spur efficiency in our own dealerships, or are we living with management practices from the last decade?"

He said dealers have to take a hard look at the needs of their market, the nature of their competition, where and how the competition can be beaten, and what the changing times are likely to bring. He said dealers have to decide what business they're really in, and re-define their market.

He acknowledged this kind of soul-searching may lead many dealers to say, "business as usual," but he said others may find they need to move into full-service leasing, a wholesale parts distributorship, expanded service and body shop capabilities or other things. "In short," the West Virginia dealer said, "each of us should consider becoming a total commercial transportation specialist if we are not already."

"As we enter the decade of the '80s, we must be alert to new ideas and innovations affecting our business. We must be ever cognizant of the market we serve and prepared to make changes to meet out customers' total transportation needs. Most of all, we must be constantly prepared to manage our business on a new plane of excellence as the inevitable changes take place.

"It's time to tighten our belts, get back into our businesses, and become involved. Good management is needed and doesn't come about by letting someone else do the job. Work a little harder, trim the excess and know what's happening in the business."

Gordon MacKenzie, Ford Motor Co.'s vice president of sales, said if





# THE DRIVING FORCE IS MIC

**MOTORS  
INSURANCE  
CORPORATION**

## MIC is the Driving Force in Automotive Insurance

Motors Insurance Corporation, the insurance people from General Motors, is the Driving Force that can help GM dealers stay out in front in the 80's. Out front through product variety, innovation, outstanding service, and training leadership that spell profit opportunity and more satisfied customers. MIC and its subsidiaries provide leadership in marketing a comprehensive line of insurance products and services in most states:

- Physical damage coverages
- Mechanical repair protection
- Credit life insurance
- Special fleet and dealership plans.

Putting the Driving Force to work for you is a sure way to improve profits through:

- Greater commission income
- Increased service and parts sales potential
- Higher utilization of rental cars

### **The Driving Force is Leadership in Physical Damage Insurance.**

By paying top commissions, MIC's physical damage insurance is a solid profit generator. It also represents outstanding value and convenience to your customers.

### **The Driving Force is Superior Mechanical Repair Protection.**

MIC's mechanical repair protection plans for used cars – the Used Car Works – help generate top prices for your used cars, increase service and parts business potential, and help boost your F&I income.

### **The Driving Force is Credit Life and Disability Insurance.**

In most states MIC Life offers your finance customers car payment protection plans backed by the insurance people from General Motors – a reassuring fact for your buyers.

### **The Driving Force is Flexible Customer Payment Options.**

With MIC your customers have a wide choice of payment options included with the car's financing or through one of MIC's flexible time payment plans.

### **The Driving Force is One of the World's Largest Claims Organizations.**

GM dealers throughout the U.S. and Canada, one of the world's largest field organizations – over 13,000 strong – act as claims centers for every MIC policy you sell. They complement MIC's 115 strategically located offices.

### **The Driving Force is Leadership in Training Programs.**

Specially designed MIC training programs for F&I management are available to GM dealer personnel.

### **The Driving Force is Merchandising and Advertising Support.**

MIC provides you with the kind of advertising and sales promotion support that builds customer interest.

### **The Driving Force is Innovation.**

MIC is responding to challenges of the automotive marketplace by taking a fresh look at all automobile insurance products. When change is made, look to the Driving Force for leadership.

Insurance is a profit center for your dealership. So get in touch with MIC, the insurance people from General Motors, and let them help you develop its full potential. Put the Driving Force of MIC's national organization behind you. Then see how much better the road ahead can look.



The Insurance People From General Motors  
New York, N.Y. 10153



the industry is not careful, we can think ourselves into a state of a difficulty that we are not in."

In 1979, he said, the average heavy-duty truck dealership had total sales of \$16 million. He said a well-run dealership should have made at least a 25 percent return on investment in that year, but he said the average Ford truck dealer's figure was 32 percent. In 1980, it was 45 percent.

Generating those kind of figures in dollars, MacKenzie said, requires a master plan—master plan, weekly, and monthly plans, and be specific. He said dealers should review a daily operating or expense control with all of their managers, review the previous month's deals for proper write-up, physically inspect the inventory, maintain bank balances, and verify net cash position personally. A weekly plan, in his opinion, should include reviewing the advertising program with the sales managers; attending a meeting of the sales force outlining the dealership objectives and policies; reviewing the parts and service solicitation procedures with the parts and service manager, and even conducting a parts bin spot check.

He said time should always be taken to review appraisal sheets with the sales managers and to question lost deals, and he said if this is done, dealers will find "lost deals" often are not lost at all. They can be saved.

The MacKenzie monthly plan, the Ford executive said, would include holding a department sales and forecast meeting; checking the book value of used units, and rotating the over-age inventory. He said he would physically inspect inventory to see if it's ready to sell, and he recommended reviewing all receivables.

Bert Grayson, Vice President of Transportation Advisors, Inc., said about what dealers can sell in 1980, and he said one very saleable commodity is fuel economy. In a world where 4.5 mpg is considered the norm for a heavy-duty truck, Grayson said dealers can get good performance and 5.8 mpg to the gallon, and about \$100 in savings per 100,000

Dealers can do it, the consultant

said, by selling wind deflectors, fan clutches, radial tires, the right engine, and other items that will allow an operator to handle his needs most efficiently.

Probably the most radical and interesting idea of the convention was offered by Wisconsin's Governor Lee Dreyfus, one leader who realizes the nation's roadways are its lifeblood. In a plan aimed at stimulating the automotive industry and the economy in general, he proposed a "new automotive deal."

Dreyfus said people who volunteer to turn in and scrap their old gas guzzler vehicles should receive a federal government full-value tax credit for the purchase of new American vehicles. Such an action, he said, would boost sales of American-made vehicles that meet certain efficiency standards with respect to pollution and fuel, and he said the American production efforts would put people back to work and eradicate many of the nation's problems.

It was one of several somewhat unusual convention speeches, speeches that talked as much about America and production and government impotence and interference as about trucks and the truck business.

Governor Dreyfus predicted this November will witness the largest voter turnout in recent history, and he said voters will be going to the election booths with hunting licenses. They are looking, he said, "for those who have done this to us."

One of the reasons for the nation's mood, he said, is energy, notably imported energy, and Dreyfus wants to ease that problem with coal.

He would like to see, he said, every industrial, commercial, and utility boiler that is oil fired converted to coal by 1985. If we do that, he said, the railroads would be rebuilt and put back to work, the coal boiler industry would get back to work, and the coal industry itself would be able to go into high gear.

"We cannot yet convince people," he told dealers at the convention, "that there is a danger of World War over energy and that it could in fact be the greatest environmental danger of any. It's my belief, therefore, that oil is the

most environmentally dangerous fuel in the world today, especially for these United States. If you want to talk about environmental impact, you had better talk about the impact of war."

Dreyfus said we must get back to using our own resources of oil, gas, and coal. "There is now the time to do it and do it quickly," he said, "and at the same time provide all the research we need on acid rain and everything else. But we have to do it now. I've been dealing with Congressmen who say we can't do anything right now, that it's going to take two or three years to figure this and that out."

"I don't believe we can do that. We have got to move now before we move into what I believe to be the worst economic disaster this nation has known."

Texas Railroad Commissioner Mack Wallace obviously agreed with the spirit of Governor Dreyfus' message, and he hammered away at one major point: that we, thanks largely to the government, have lost sight of our priorities.


Wallace said our priority should be national survival. But he said that survival is being endangered by government policies that refuse to take advantage of "vast untapped reserves of oil and gas" in Alaska and off Georgia's bank, to cite two examples. Since the embargo of '73 exposed our energy weakness, he said, we have wasted the time we've had to improve our situation.

According to Wallace, only two percent of the continental lands and three percent of the offshore areas have been explored. And, he said, the federal government continues to be the largest lease holder of unexplored regions.

In his view, the national need has been held up by endangered species, the National Environmental Protection Act, the ensuing red tape, and the bureaucrats who use those and other weapons to impose a significant burden of time and expense on the nation's businessmen.

"If we repeal the National Environmental Protection Act," he said, "if we repeal the endangered species act, if we gave a 27½ percent depletion allowance and if we decontrolled the price of oil and





**"Cruise Control is big with us today.  
We're ordering K30 on 50% of our passenger cars  
and 70% of our vans and light trucks."**

Donald Val Strough, Val Strough Chevrolet, Oakland, California

For Don Val Strough, that adds up to a lot of small, mid-size and full-size cars... a lot of vans and light trucks, too—all factory-equipped with Cruise Control. The reason is simple: "Any customer can appreciate an option that'll work for him as long as he owns the vehicle—then add to the book value when he trades it in. And that's what happens with K30."

Yet driver convenience and value aren't the only reasons so many GM dealers are ordering Cruise

Control on more and more of their demos and inventory—and why Cruise Control sales are 10 times greater than just eight years ago.

AC Cruise Control is specifically engineered for each GM car and truck that offers the option, and for the particular engine and transmission ordered. So you know it's right for the vehicle, right for the times and your customers. Solid

reasons to specify K30—factory-installed AC Cruise Control for your demos and inventory, too.



AC Spark Plug Division, General Motors Corporation  
1300 North Dort Highway, Flint, Michigan 48556



totally and completely and  
 and loose every wildcat, if they  
 every drilling rig out of every  
 in America and worked  
 and night, and half of you went  
 rough-necking, it would be be-  
 in three and four years before  
 could build up enough oil and  
 reserve in this country to make

Connally told the dealers  
 all the thrust of government  
 this country today ". . . is not  
 help protect the producers and  
 business people of this coun-  
 but to destroy them. To com-  
 with them. To fight with  
 m. To control them. To regu-  
 them.

Never mind what the Germans  
 never mind what the French or  
 Argentinians or the Brazilians  
 the Chinese or the Japanese do.  
 er mind what the relationship  
 between their government and  
 business people. Never mind  
 competitive they are.

We must have a clearer under-  
 of what business does in  
 country. We need to under-  
 and something about this  
 omic system. Business is  
 thing but an association of peo-  
 gathered together to produce  
 ls and services for the better-  
 at and enrichment of people.  
 at's all business is. We have to  
 to ourselves that nowhere on  
 face of this earth does personal  
 om exist where there is no  
 omic freedom, and con-  
 ely, where there is economic  
 om, there is personal free-

"There are few or no incentives,  
 Connally said, to save money,  
 ernize business, or compete in  
 old markets. "No one," he said,  
 ats to think in terms of provid-  
 incentives for producers.  
 anybody in government today  
 about taxing the producers.  
 ing the producers in order to  
 to the non-producers. That's  
 it's wrong in America today,  
 of the principal things that's  
 eg."

NADA President George  
 pointed out at the ATD con-  
 tion, a record 213, 174 Class 7  
 trucks were sold in '79 and  
 337 the year before, but as he  
 pointed out, that certainly  
 the situation now. But Irvin  
 ves the situation is going to  
 ve. He told the Senate the

small businessman dealer is today  
 involved "in an immediate life and  
 death struggle" and desperately  
 needs assistance. "I think their  
 verdict," he said, "will be for life."

Mack Wallace told the dealers  
 he thinks every ATD and NADA  
 member should go to his or her  
 Senator and Congressman and tell  
 them America wants policies that  
 will let America produce. He also  
 suggested a rather specific letter:

"Dear Mr. President:

I'm upset that we can't produce  
 oil and gas on federally owned  
 land. What are we waiting for? I'm  
 not interested in the sage grouse,  
 the black footed fish, the Tennes-  
 see snail darter, the ferbish louse  
 wert, or the blunt nosed leopard  
 lizard. I'm interested in my child. I  
 don't want my youngster-drafted  
 to fight for foreign oil when you  
 won't let them produce it here in  
 the United States. . . . Thank  
 you."

During the ATD convention,  
 the dealer council chairmen and  
 the ATD state directors agreed the  
 major problem facing dealers  
 today is excessive floorplan costs.  
 With that in mind, they presented  
 the following resolution:

*The future of the franchised  
 truck dealer is in jeopardy.  
 Dealers have borne the full cost of  
 the interest rate increases which  
 have nearly doubled in the past 12  
 months. This problem is com-  
 pounded by slow sales due largely  
 to events beyond dealer control.*

*Positive actions by each man-  
 ufacturer would strengthen the  
 franchise partnership. True  
 partners must divide inventory  
 costs on a more equitable basis.  
 Acting quickly will avoid far  
 greater costs such as dealership  
 closings, repurchase of dealer  
 stock, expenses of establishing  
 new dealerships, cancellations or  
 orders, production shutdowns  
 and increased unemployment.*

*It is imperative that truck man-  
 ufacturers immediately grant a  
 maximum 12 percent interest  
 ceiling on existing inventory  
 floorplanning programs.*

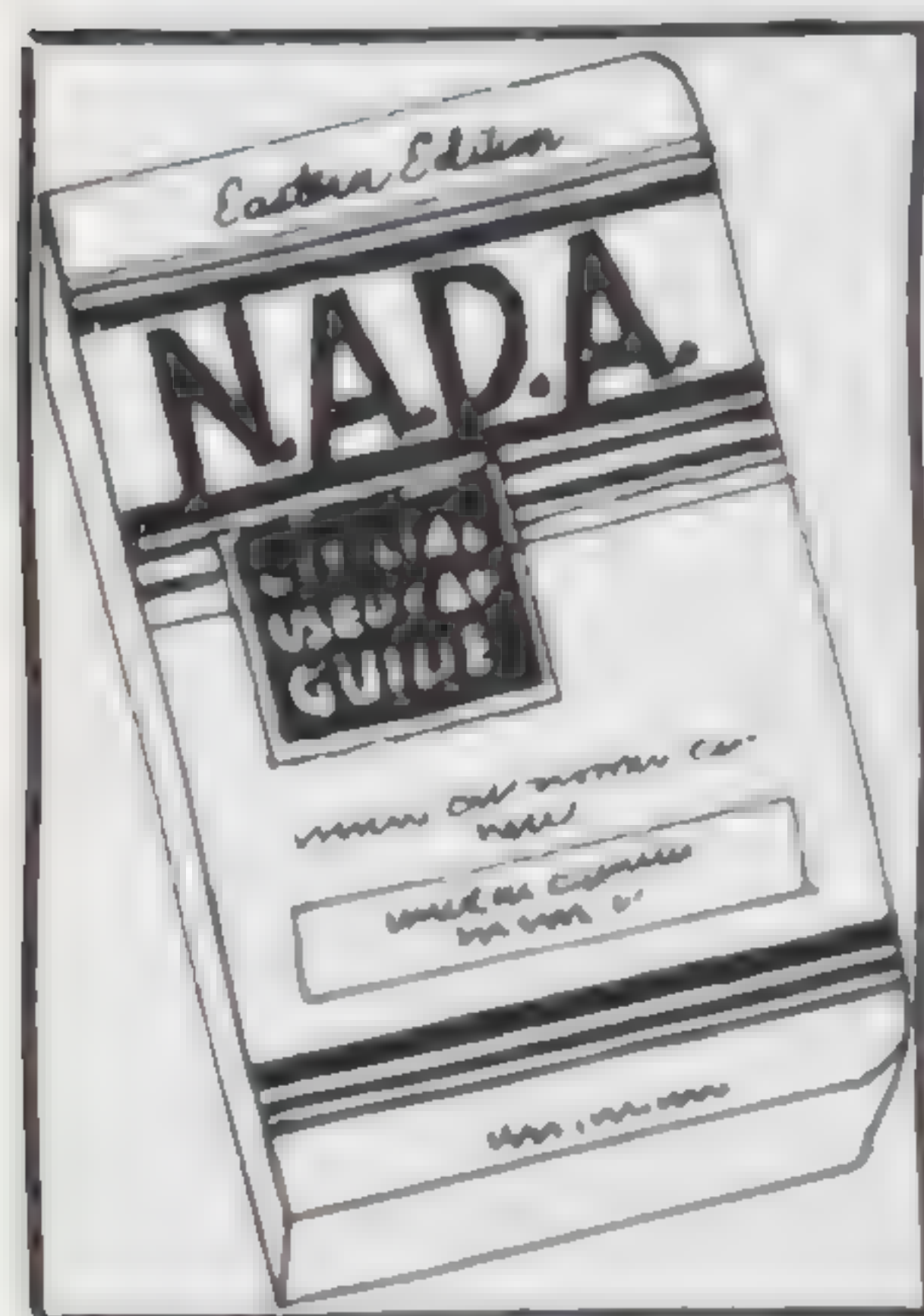
NADA has incorporated the  
 above position into its current In-  
 dustry Relations program and it is  
 part of the dealer relief package  
 NADA is seeking from the man-  
 ufacturers and government.

# advertisers index

ADVERTISER	PAGE
A C Spark Plug . . . . .	54
A D P—Audatex Division . . . . .	12
Amarillo Auto Auction . . . . .	39
Aptco Auto Auction (Florida) . . . . .	39
Aptco Auto Auction (Michigan) . . . . .	39
Associates Commercial Corp. . . . .	58
Atlanta Auto Auction . . . . .	39
Cars Inc. . . . .	Cover 3
Cee Gee Inc. . . . .	39
Continuous Protection Plan . . . . .	9
Girard Productions . . . . .	39
GMAC Financing . . . . .	25
Krex, Inc. . . . .	18
Lighting Systems, Inc. . . . .	14
MIC . . . . .	52
NADIT . . . . .	50
NAD Used Car Guide . . . . .	57
National Auto Auction Assoc. . . . .	48
Nationwide Ultra Seal . . . . .	27
Oakleaf & Associates Inc. . . . .	37
Polyglycoat . . . . .	Cover 4
Quaker State . . . . .	29-32
Ridgeway Chemical . . . . .	3
Rusty Jones . . . . .	17
Siskin Enterprises, Inc. . . . .	44
Southwest Auto Auction . . . . .	39
Sports Achievements Association . . . . .	36
Stop-A-Flat . . . . .	40
Success Programmes, Inc. . . . .	15
Thermoguard Rustproofing . . . . .	49
Universal Underwriters Insurance Co. . . . .	Cover 2



# USED CARS



Excluding real estate, there is possibly no market as vague in terms of selling price as is the automotive market. At one time, this was more true of used cars than of new, but that distinction has lessened somewhat due to rebates, discounts and who-knows-what. We would like to limit our remarks to used cars . . . but . . . with the one condition that we recognize the impact upon the used car market which results from various new car promotional devices. Any used car guide analyst must shudder each time he reads of some new sales promotional give-away, because the impact on the "book" that is already out will be immediate. Adding insult to injury, the impact may well be exaggerated.

The position that used car guides accurately report the market for all cars at all times and in all markets is hardly defensible. Although some publishers claim one thing and others claim another, the position of the NADA Guide has been fairly clear: the book is as it states . . . a guide to values. In fact, this writer has observed at seminars and similar meetings that the Guide offers a price from which a buyer and a seller may agree to negotiate. As long as factories offer cars in different colors and configurations and as long as people drive differently, there will be no such thing as an average or typical used car. There may be an average of the values of a sample in a given market or in a group of markets, but the car being bought or sold must be evaluated on its own and then

compared to the averaged value. (One point: in the NADA Guide, the published values represent clean cars and the word "average" is used in an arithmetic sense.)

Recently, we had occasion to encounter a situation in which the seller(s) were not really appreciative of the market and perhaps not even of the forces which produce the market. In one instance, a factory formula price was quoted and it was so far removed from the reality of the marketplace that the man quoting the price first explained that it was not consistent with the "auction." Possibly, he meant the quoted value would exceed the realized price at the auction where the car was heading, by a substantial margin. At this point, we might add that not all factory pricing formulae are at odds with reality . . . one factory has learned to adjust fairly quickly. But, factory formula prices have an inherent weakness . . . their evaluation of the residual value of certain options is greatly in excess of the true market value.

**A** second example involves a dealer who was inclined to evaluate his late model used cars with what he "had in them" rather than what they were worth in the marketplace. Many of us do that in the stock market . . . the writer has about \$4500 in the stock of a food retail chain currently operating under Chapter 11. What you have "in" is meaningful only on your tax return.

Well, if used car guides are indeed just that—guides, if factory formulae on late model cars leave much to be desired and if money in a car means nothing, how do you know what a car is worth? If you hope to learn some secret method

of appraising in the next few lines . . . forget it . . . read no further. Some people have what appears to be an instinct for sensing the market. (If I may digress, again, my late father was a seafood wholesaler in Baltimore and for a brief time I worked with him. The market would open in the wee hours of the morning and sometimes I would join him as we toured the market. When we returned to our place of business he KNEW the market in whatever we had received on consignment that morning. I saw everything he saw and I heard everything he heard but I had no idea what anything was going for.)

There are dealers who place much emphasis on the wholesale auction . . . "You can always take the car to the auction and convert it into cash." And, one may ask, "Can you?" A dealer who thinks that way assumes a very elastic demand but those who carefully observe the auctions know this is not true. If a 60 percent sale is considered reasonable, then four of ten cars offered for sale at the auction returned home. Furthermore, what a car brought last week does not necessarily mean it will bring as much, more or less, this week. Let us say a car brought some good numbers at an auction and the word got around that 1977 Scats were hot. Is it not logical to assume, unless a strong retail demand were present, that area dealers would react by sending their 1977 Scats to the next auction? Take an opposite position: weakness in a given car would result in fewer of those cars being offered at the subsequent sale. If you use the auctions as a basis for pricing (and there is much to be said in favor of this) you would be better served to do so from on-the-spot observations rather than from an analysis of their sales re-

The Used Car column is prepared exclusively for automotive executive by James H. "Harry" Lawrence, editor of the NADA Official Used Car Guide. Comments or questions pertaining to these columns should be mailed to: "Used Cars," automotive executive magazine, 8400 Westpark Dr., McLean, VA 22102.



it may have been that nine cars were sold within a value range, but equally important would be how many LTD's were offered and not sold.

One time a dealer friend was talking me and he noticed the number of out-of-town Sun- papers I received. I explained to him I had two uses for them: One, the local business sections were often of interest. Two, I could scan, at random, the automotive classified. It was interesting, at times, to see the way in which the NADA Guide was sometimes used in ads. Also, by looking at market leading cars, we could make a quick comparison. The classified section may not be an index to values but it is a reference to market activity and trends. It is certainly worth the time it takes to look through it.

Some dealers rely heavily on wholesalers and this is all right if you have a relationship with several wholesalers who are unknown to each other and, preferably, are working in different markets.

The conclusion must by now be obvious: there is no one way to accurately appraise the value of a used car . . . assuming you want the appraisal to reflect the going market and not the number you have determined previously. Since the used car market is so critical to many dealers today, it becomes increasingly necessary to use all means available. Dealers in rapidly changing markets are usually near enough to an auction to attend or to have someone attend. You may or may not be buying or selling there, but a half day of observation will be worth the effort. As for the newspapers, don't pass them by too quickly, and if you are in an area influenced by two or three metro areas, do not hesitate to take papers from each. The used car guides? Quite frankly, given their cost, which is negligible, I would take (and study) those in my trading area even though I preferred one to another. When the books are in substantial agreement, you can feel a bit better and when they are not in agreement, you may choose to look into these cars a little deeper or avoid them to the extent you can.

Wholesalers and the local independents . . . I'd get to know them . . . or . . . have someone get to know them. A wholesaler going from dealer to dealer learns more about the business than market values and if he is a keen observer, he sometimes knows who is in trouble before they do.

In summary, use any and all tools available. Do not be content with sticking to one technique just because "it has worked fine all these years." We are in an unusual time and many of us will have to adjust to the times. True, our factories will be producing competi-

tive automobiles in volume in a couple of years but few of us are in a position to wait that long. A number of dealers are going into older and cheaper cars and they are finding it isn't all that bad. A new car dealer remarked to us, "We are doing well in the \$1,200.00 to \$2,000.00 market . . . one in which we had done very little until recent months."

It is true, we are in a difficult time, but some dealers, domestic-only dealers, are making money from operations. It can be done and if the industry is to recover, the dealer body must survive. **Æ**

# PROFIT BUILDER



## NADA

### DEALERS WHOLESALE AUTO AUCTION REPORT

Reports current sales data from major auto auctions as an aid to more accurate appraisal of used cars. Values are wholesale by car condition and there are high and low mileage tables.

Up-to-the-minute information at your fingertips, a new, updated edition every two weeks.

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11 or more . . 24.00 ea.

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By \_\_\_\_\_ Make of car handled \_\_\_\_\_

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City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_





# The Spirit That Moves America

FROM ST. JO TO SACRAMENTO IN 10 DAYS FLAT!

The Pony Express used horsepower and manpower to move a continent and bind together a nation.

Pony Express riders were the first of the breed. Dependable. Resourceful. Men of vision and daring who had the spirit to pioneer the future. And when their day was done, they handed that future to the NEW PIONEERS.

Today their spirit is still moving America's trucking industry. From the East Coast to the West. Through storm, darkness and adversity. From bustling cities to the smallest village and hamlet. Where there are no waterways. No railways. No airways. Delivering the materials. Combining ingenuity and modern technology to move the nation ever onward and upward.

Trucking is the heartbeat, the very life's blood of American commerce, providing the horsepower and stamina to get the job done.

The American trucking industry. The NEW PIONEERS keeping the spirit alive. Moving our lives and our country toward a brighter, better tomorrow.



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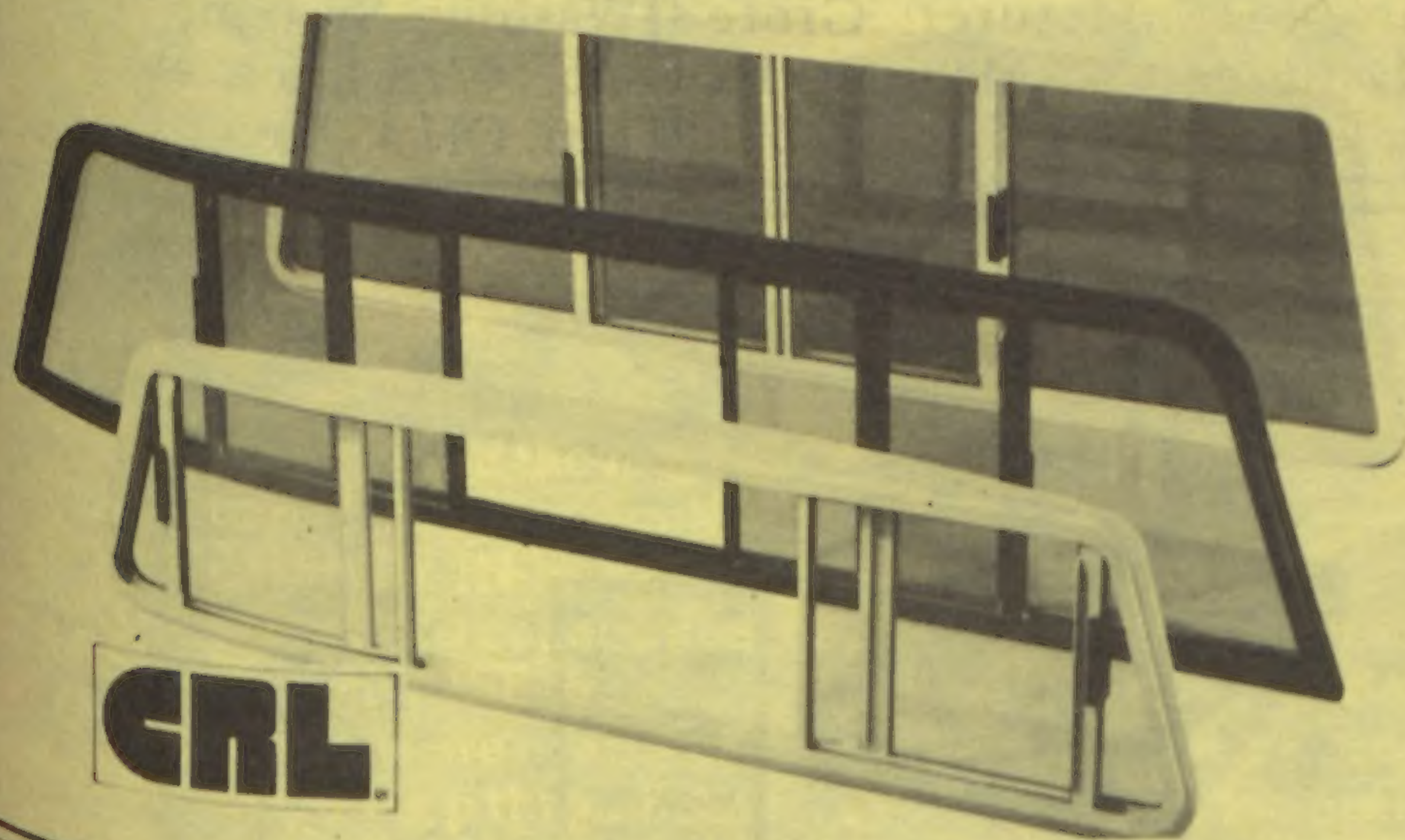
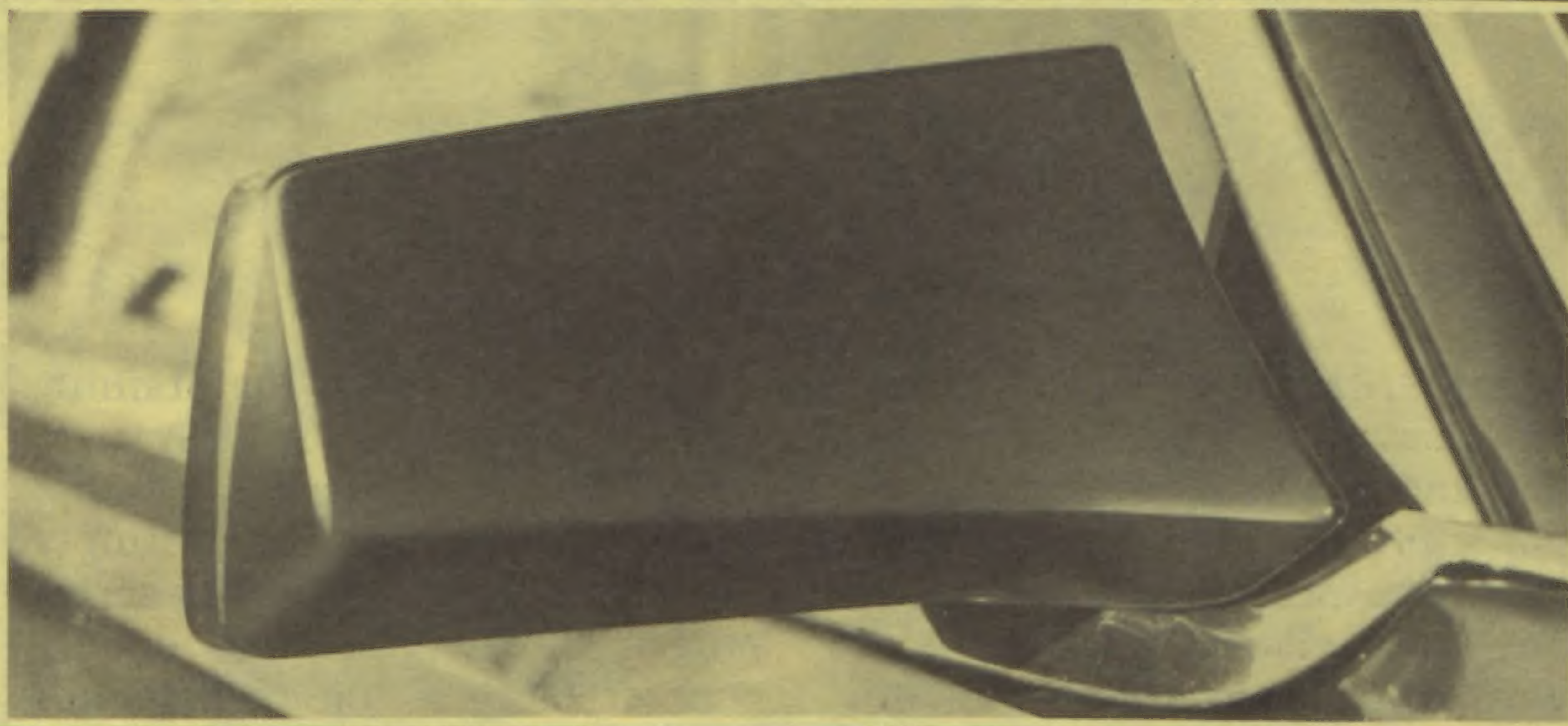
# Showcase

## WHAT'S NEW ON THE MARKET



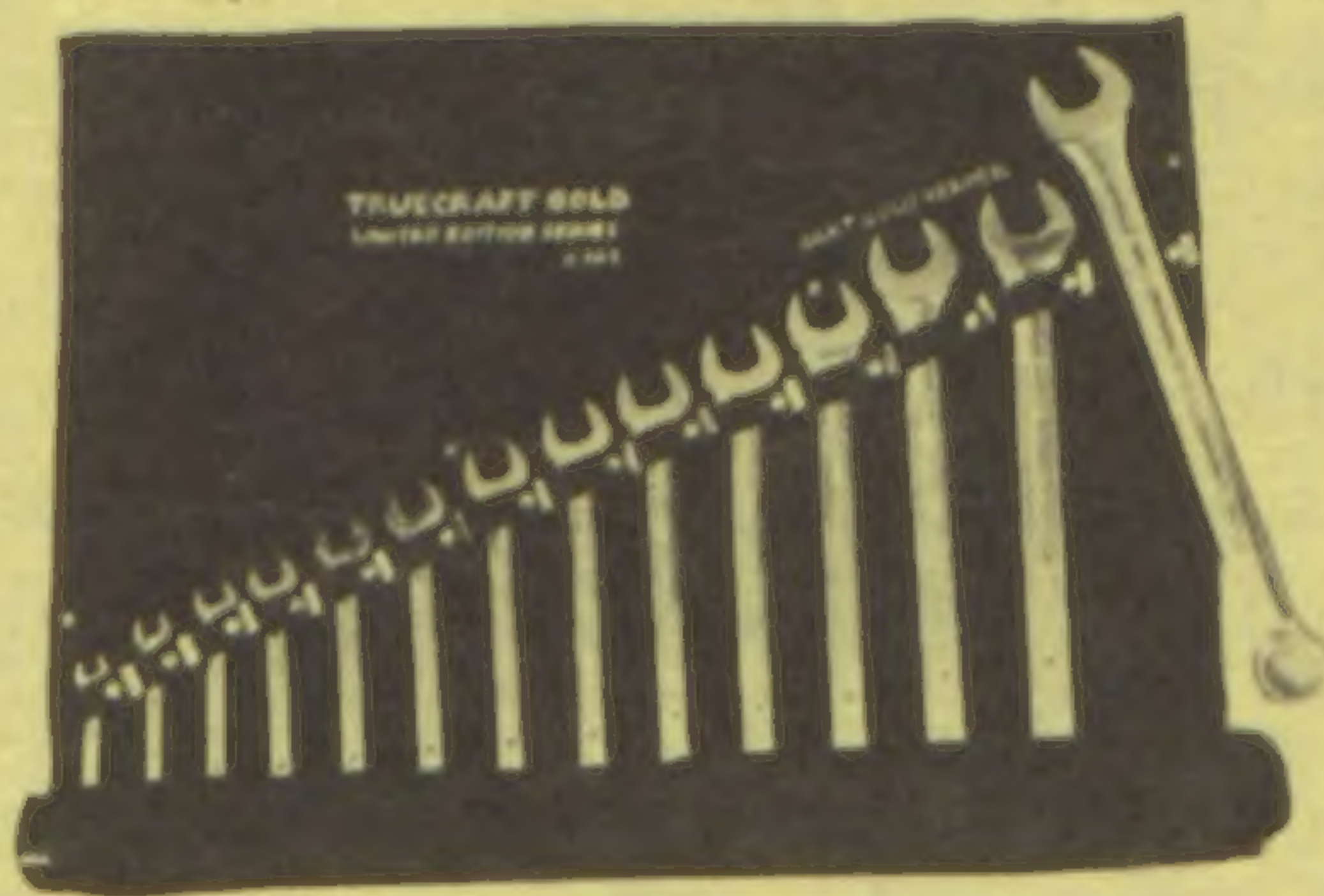
Play cassettes on an 8-track player? With the **Mona stereo cassette adaptor** it can be done. You don't have to scrap your 8-track collection if you want to play cassettes in your car. Play both. Fits all makes: in home, car and portable 8-track players. Retails about \$49.95. Manufacturer: Success Programmes Inc., 5260 Dixon Place, Delta, B.C. Canada V4K 1Z4.

Chrysler Corp. has designed a new light weight, high strength **mirror housing**, molded from NORYL® 844 resin. The mirror housing has both the impact strength at low temperature and the heat resistance necessary to withstand a broad range of abusive environments. NORYL resin's surface allows consistent paintability. Manufacturer: General Electric Co., Plastics Div. NORYL Products Dept., 1 NORYL Ave., Selkirk, NY 12158.



The **sliding rear window** from Duo-Vent features DOT approved safety glass in an electro-deposition polyester-finished extruded aluminum frame. It has two self-locking aluminum latches and is fully weatherstripped. Duo-Vents fit original window openings without any vehicle modification. Call Toll Free: National: (800) 421-6144, California: (800) 372-6361, Alaska & Hawaii: (800) 421-6088. Manufacturer: C. R. Laurence Co., P.O. Box 21345, Los Angeles, CA 90021.

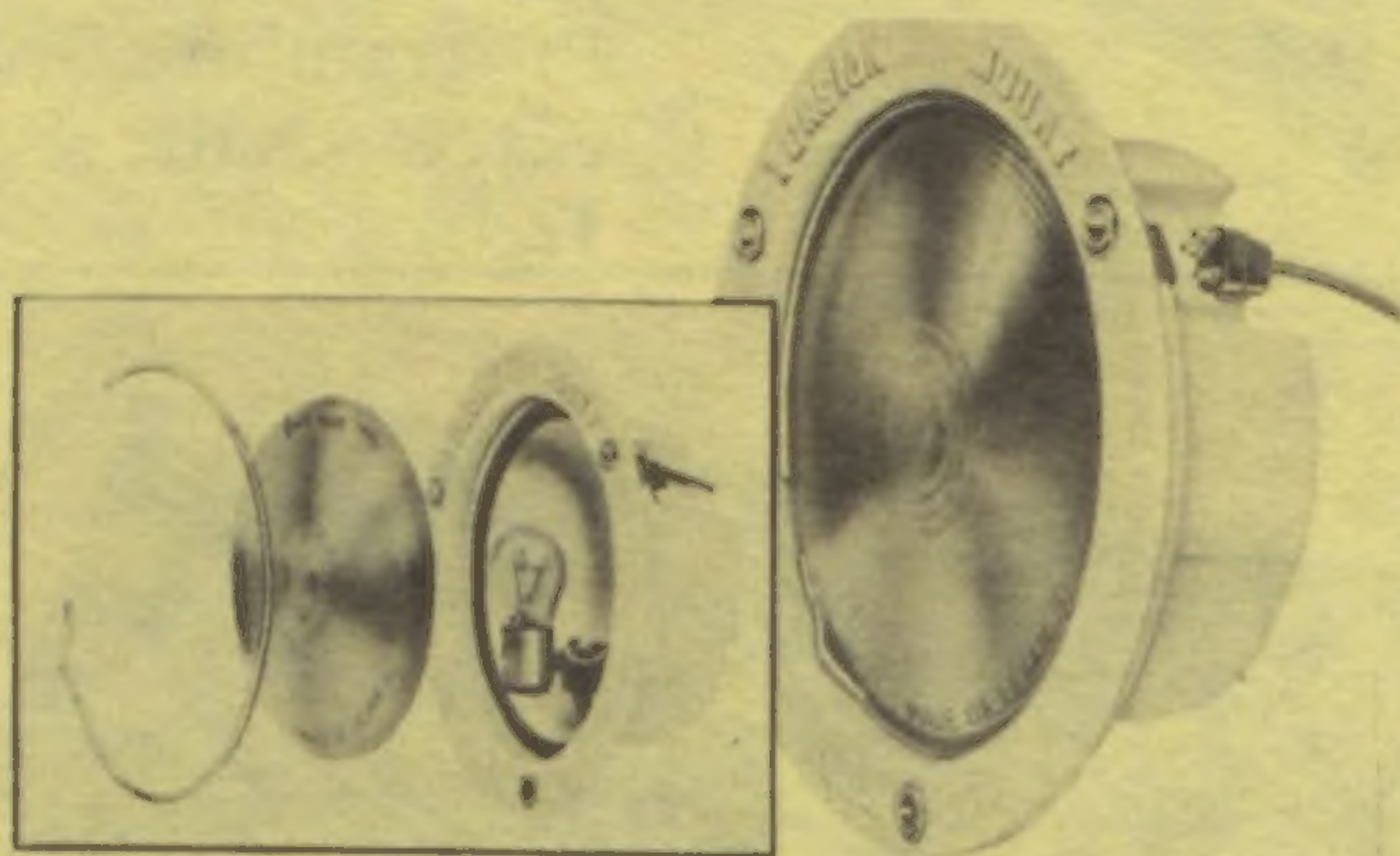
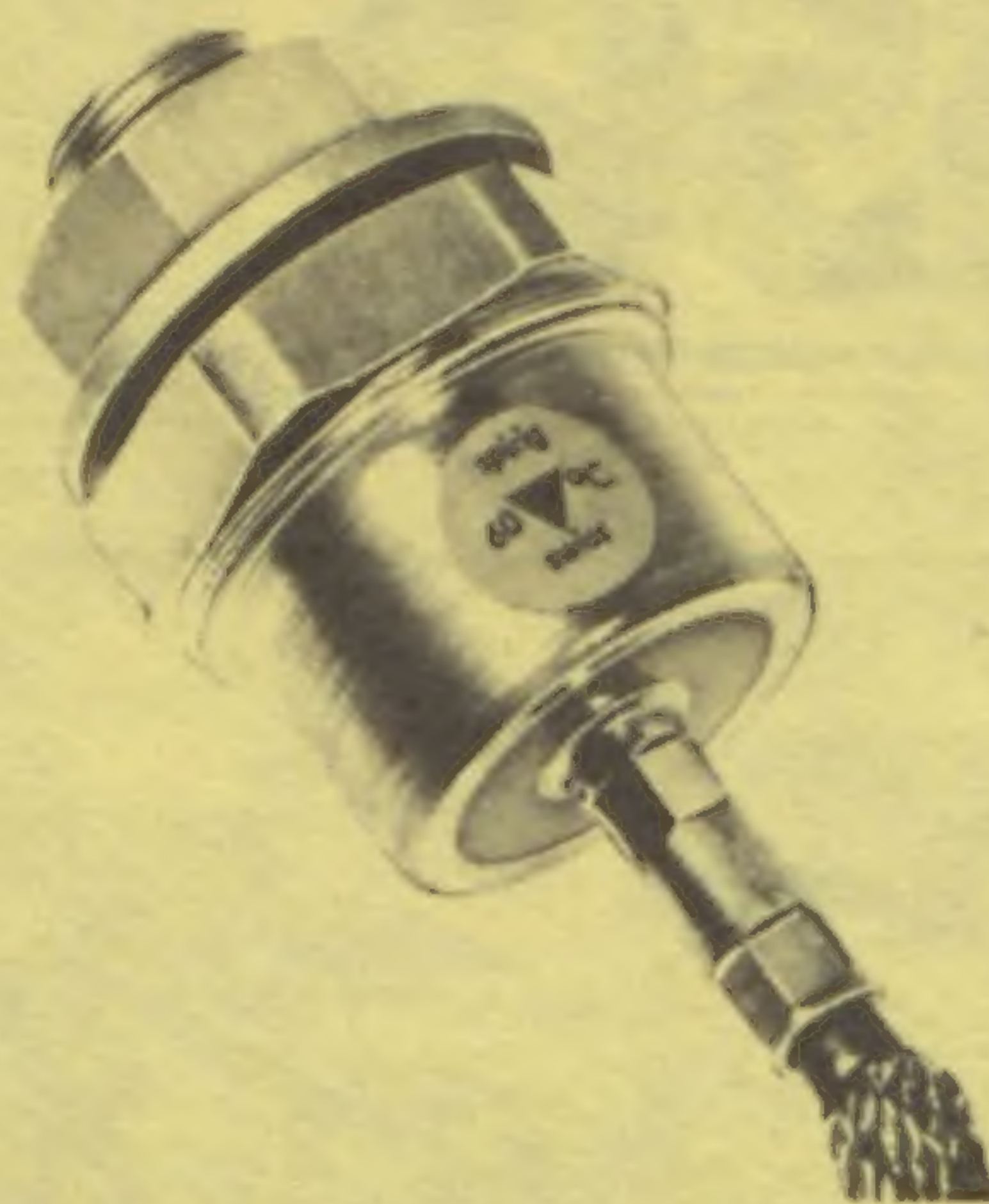
Truecraft Tool recently introduced the "**Truecraft Gold**" Limited Edition Series. This series consists of 14 combination wrenches, sizes  $\frac{3}{8}$ " -  $1\frac{1}{4}$ ", all 24K gold vermeil, contained in a handsome, black leather roll. The owner's name, hand-sewn in metallic gold, will appear on each roll. Manufacturer: Truecraft Tool, Div. of Daido Corp., 885 Centennial Ave., Piscataway, NJ 08854.



Information and photographs of products listed in Showcase have been provided via manufacturer's press releases. A product's appearance in this column in no way implies endorsement by either NADA, the National Automotive Dealers Service Corp., or automotive executive magazine.

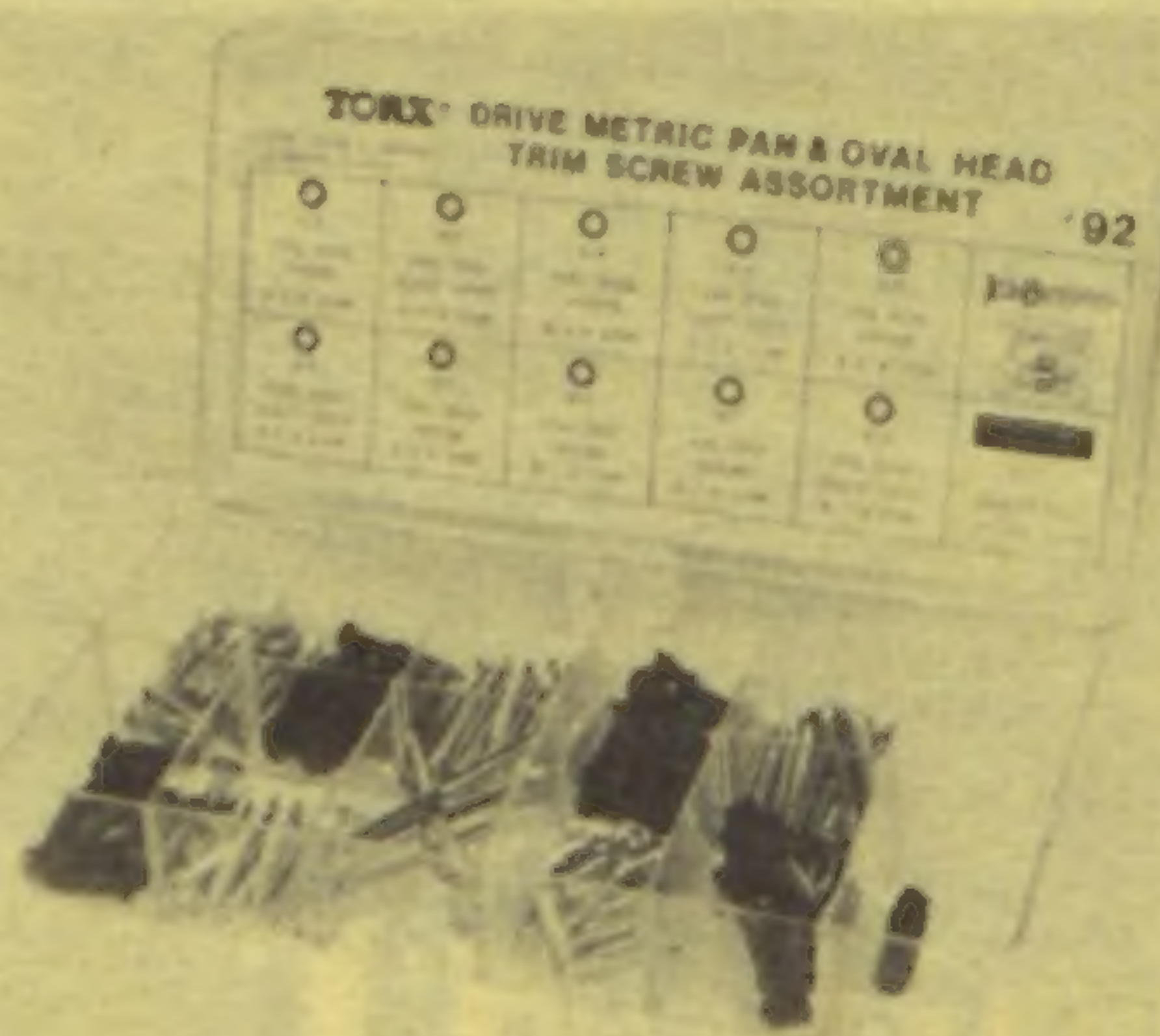


**CelsiDot®** small one-shot indicators, can be readily applied to any piece of equipment whose operating temperature is critical, so that overheating can be monitored and indisputably indicated. They measure only 10 × 15 mm and can be applied to any clean surface by means of their pressure-sensitive backing. Typical applications include engines, motors and compressors. Manufacturer: Solder Absorbing Techn. Inc., 357 Cottage St., Springfield, MA 01104.



Grote Manufacturing Co. announces a new **combination stop, tail and turn lamp** with receptacle for a plug-in pigtail. Replacing a sealed beam lamp, the 52732 plugs into an existing wiring system with no cut or splice to admit creeping "electrical termites," the corrosion that current actually pumps through a wiring circuit according to Grote tests. Yet,

while retrofitting and maintaining a no-cut, no-splice wiring system, the 52732 is a repairable lamp, permitting replacement of simply the bulb or lens rather than scrapping a whole lamp. The double contact lamp is top-quality-built with both body and lens of LEXAN. Manufacturer: Grote Manufacturing Co., Madison, IN 47250.



Ten new sizes of **TORX Drive Metric Trim Screws**, in pan and oval head, are now available in plastic box assortment No. 92 and metal tray assortment No. 8172. TORX Screws are in stainless steel and have chrome and black oxide finish. Uses include holding headlamp bezels, parking lamps, side markers and radiator grilles. Assortment No. 8172 for car dealers includes one No. 410 insert drive bit. Manufacturer: Robco Products Co., 721 S. Kilroy Rd., Turlock, CA 95380.



Silver Seal Products is offering a full line of **leak preventive chemicals**, designed for fighting problems ranging from minor radiator leaks to more severe block leaks in cars and trucks. Leak Stopper is a metallic sealer in powder form which is poured into radiators to eliminate coolant loss. Leak Stopper is packaged in dispensable plas-

tic tubes, 24 tubes per carton, 12 cartons per case. Heavy Duty Engine Block Sealer repairs cracks in the blocks and heads, and is used for installing cylinder sleeves and studs. It comes in plastic bottles, 12 per carton, 12 cartons per case. Manufacturer: Silver Seal Products, 19280 Allen Rd., Trenton, MI 48183.

Antistatic automatic drive-thru vehicle washer cleans all sized vehicles in less than two minutes. Unit consists of 3 rigid arches that dispense mild detergents in a two-step process: applies negative and positive antistatic mixtures. Final rinse cleans uncarriage, top, sides and rear of vehicle, film free. Low voltage ensures safety to all personnel. Accommodates all fleets. Manufacturer: Automated Washing Systems International, Inc., 4778 Interstate Dr., Cincinnati, OH 45246.



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